



OXLEY HOLDINGS LIMITED

ART OF THE BUSINESS

ANNUAL REPORT 2016

SINGAPORE
UNITED KINGDOM
IRELAND
CAMBODIA
MALAYSIA
JAPAN
CHINA
INDONESIA
MYANMAR



CORPORATE PROFILE

Oxley Holdings Limited ("Oxley" or "the Group") is an international property developer headquartered and listed in Singapore. Oxley specialises in the development of quality residential, commercial, and industrial projects. Since its incorporation in March 2010, it has launched 32 projects and completed 21 projects.

Through forging strong partnerships with reputable developers and business partners, the Group has a business presence across nine geographical markets today, including Singapore, the United Kingdom ("UK"), Ireland, Cambodia,

Malaysia, Indonesia, China, Japan and Myanmar. Oxley's developments are typically located in choice areas that are easily accessible. Most of its projects incorporate retail elements, and lifestyle features and facilities.

The Group's iconic commercial project in Singapore, Oxley Tower, is expected to be completed by the end of 2016. Key overseas projects under development include the mixed-use development, Oxley Towers Kuala Lumpur City Centre in Malaysia, a waterfront township development of 363,000 square meters ("sqm") in London, UK, and two mixed-use developments in Phnom Penh,

Cambodia. In Dublin, Ireland, the Group is developing a site of 2.35 hectares next to the proposed new headquarters of the Central Bank of Ireland, combining 65,000 sq m of Grade A office and retail space with 273 luxury residential apartments.

The Group has also diversified into investment on property as part of our fixed assets. Projects include the two hotels, Novotel Singapore on Stevens and Ibis Singapore on Stevens. Both are under development and are due to open for business in 2017.

For more information on Oxley, please visit www.oxley.com.sg.



Aerial view of Oxley Towers Kuala Lumpur City Centre



Novotel Singapore on Stevens / Ibis Singapore on Stevens

CONTENTS

Our Presence	02
Chairman's Statement	04
Financial Highlights	07
Board of Directors	08
Key Management	10
Development Properties	12
Investment on Property and Hotels	22
Investment	23
Corporate Social Responsibility	24
Corporate Information	27
Corporate Governance Report	28
Financial Contents	42
Statistics of Shareholdings	127
Appendix I	129
Appendix II	137
Notice of Annual General Meeting	153
Proxy Form	

Note: All perspectives of Oxley's development projects shown in this report are artist's impressions.

OUR PRESENCE

IRELAND

**1 UPCOMING
LAUNCH**

- Dublin Landings

LONDON

**1 DEVELOPMENT
PROPERTY**

- Royal Wharf

20% INVESTMENT

- Galliard (Group) Limited

CHINA

2 DEVELOPMENT PROPERTIES

- 新港国际城
(Xin Gang Guo Ji Cheng)
- 中新健康城
(Sino-Singapore Health City)

CAMBODIA

2 DEVELOPMENT PROPERTIES

- The Bridge
- The Peak

2 UPCOMING LAUNCHES

- The Garage
- Riverside

1 HOTEL

- Shangri-La Hotel

MALAYSIA

6 UPCOMING LAUNCHES

- | | |
|---|---------------|
| • Oxley Towers Kuala Lumpur City Centre | • Pepper Hill |
| • Section 16 | • Robson |
| • Medini | • Beverly |

2 HOTELS

- Jumeirah Kuala Lumpur Hotel
- SO Sofitel Kuala Lumpur Hotel

SINGAPORE

29 DEVELOPMENT PROPERTIES

- The Rise @ Oxley
- KAP & KAP Residences
- Oxley Tower & 26 others

1 INVESTMENT PROPERTY

- Space@Tampines

2 HOTELS

- Novotel Singapore on Stevens
- Ibis Singapore on Stevens

INDONESIA

1 UPCOMING LAUNCH

- Oxley Convention City



CHAIRMAN'S STATEMENT

Our Group's revenue
has increased by

40%
to S\$981.4 million
in FY2016

Net profit after tax
increased by

123%
to S\$295.4 million
in FY2016

Dear Shareholders,

On behalf of the Board of Directors of Oxley Holdings Limited, I am pleased to present our Annual Report for the financial year ended 30 June 2016 ("FY2016"). While we continued to make achievements with our Singapore businesses, our overseas expansion strategy has shown encouraging progress, making FY2016 an extraordinary year of growth.

Financial Highlights

In FY2016, supported by revenue recognition in line with the progress in the construction of our development projects and recurring income from our investment properties, our Group's revenue has increased by 40% to S\$981.4 million in FY2016 from S\$701.8 million in FY2015. Gross profit margin remained stable at 30%. Net profit after tax increased by 123% to S\$295.4 million in FY2016 from S\$132.7 million in FY2015, and PATMI increased by 162% to S\$206.0 million in FY2016 from S\$78.7 million in FY2015. Earnings per share was 7.00 Singapore cents for FY2016, compared to 2.67 Singapore cents for FY2015.

Our Group's financial position has also improved in FY2016. As at 30 June 2016, Oxley recorded strong cash and cash equivalents of S\$551 million, compared to S\$344 million as at the end of the previous financial year. The Company has a strong unbilled contract value of S\$3.0 billion as at the end of June 2016, of which, S\$1.9 billion is expected to be collected by the third calendar quarter of 2017 upon obtaining the Temporary Occupation Permit ("TOP") of the relevant projects.

Net gearing ratio decreased to 2.2 as at 30 June 2016 from 2.6 as at 30 June 2015 on the back of strong financial performance. In

view of the upcoming completion of Oxley Tower in Singapore and the progressive completion and handover of units to buyers of Phase 1 of the Royal Wharf project in London, we expect the gearing ratio to reduce further.

Dividend

In recognition of our shareholders' continued strong support, the Board is proposing a final dividend of 0.25 Singapore cent per share for FY2016. Together with the interim dividends declared, full year dividends for FY2016 will be 1.9 Singapore cents per share, representing a payout ratio of 27%.

Performance Review

With a prudent and pragmatic approach, we made remarkable progress in our businesses both in Singapore and overseas, notably in the United Kingdom, Ireland, Cambodia and Malaysia.

In London, the Royal Wharf project, a 363,000-sqm waterfront township development by River Thames, has been well received by the market. The construction has been progressing according to schedule. 2,639 home units have been launched, 88% of which have been sold as of August 2016. We will hand units over to buyers of Phase 1 units progressively up till 2017. The completion and handover process will generate strong cash inflow of approximately £400 million (approximately S\$715 million¹) in FY2017.

In Ireland, after winning the 2.35-hectare mixed development site next to the proposed new headquarters of the Central Bank of Ireland, we have obtained approval from the Dublin City Council in November 2015 for the development of the first commercial block, and the construction has commenced in 2016. Subject to the receipt of planning approval from the Dublin

¹ Based on GBP/SGD exchange rate of 1.79

CHAIRMAN'S STATEMENT

City Council, the construction of all 13 blocks (five commercial blocks and eight residential blocks) is expected to be completed by 2020. The project marks a promising start for our diversification strategy in Ireland. It will help us build up the Oxley brand in the local markets and enhance Oxley's profile, which will benefit us in bidding for new projects.

In Cambodia, our current two iconic projects have progressed well. The Peak, comprising 3 towers of 55-storey mixed-use development with the first Shangri-La Hotel in Phnom Penh, saw its Tower 1 launched at the end of 2015, 50% of which has been sold. The Bridge, a 45-storey mixed-use development, was well-received by the market, with 94% of the residential units and 71% of the SOHO units sold. Two out of five levels of retail units were launched at the end of May 2016 and attained an impressive take up rate of 58% as of August 2016. Our remaining two development sites in Phnom Penh are expected to be launched in due course upon obtaining approvals from the relevant authorities.

In Malaysia, we have a portfolio of 239,263 sqm of land area for development. Oxley Towers Kuala Lumpur City Centre is a major project and will include the first Jumeirah Kuala Lumpur Hotel, Jumeirah Living Kuala Lumpur Residences, SO Sofitel Hotel and SO Sofitel Kuala Lumpur Residences. Construction has commenced in the third quarter of 2016, and the project will be launched at an appropriate time.

We also plan to launch Oxley Convention City in Batam, Indonesia in 2016, followed by Min Residences in Yangon, Myanmar in 2017.

To complement our development projects, we have been building up recurring income through our

investment properties. Space@ Tampines, the industrial property that was completed in June 2015, is 91% leased out and a significant contributor to our recurring income base. Novotel Singapore on Stevens and Ibis Singapore on Stevens are strategically located near the shopping belt of Scotts Road and Orchard Road and have a combined development value of S\$900 million. They are on track to commence operations in 2017 and will further enhance our recurring income base.

Partnerships with local developers

In July 2015, we acquired a 20% stake in a leading UK developer, Galliard (Group) Limited, in line with our strategy to enter into and penetrate overseas markets by leveraging local partner's expertise and network. The investment in Galliard has strengthened our financial performance in FY2016, brought synergistic benefits in project prospecting and operations, and enhanced Oxley's brand value in London.

In addition to Galliard, we made progresses in forming and strengthening partnerships in several other countries, such as the incorporation of PT Oxley Karya Indo Batam, increasing our stakes in our subsidiaries in Cambodia and in KAP Holdings (China) Pte. Ltd., and acquiring a stake in Peninsular Teamwork Sdn. Bhd. in Malaysia.

Looking Forward

Over the past few years, Oxley has established its brand name in Singapore as a trusted property developer. Our strong track record and experience laid a solid foundation for us to build up our presence overseas. Oxley's consistent profitability and improved financial position stemmed from our ability to identify market trends and capture opportunities, and our

strong capabilities in execution, sale and marketing of our developments. Our extensive network of business partners with local knowledge and expertise further enhance our ability to win and deliver projects overseas.

With a promising development portfolio, we expect our financial position to continue to improve as the value of our projects is gradually being realised, complemented by high-quality recurring income from investment on property under fixed assets. These will give us a strong financial foothold to step up the pace in our global expansion strategy, create value with Oxley's expertise and sustain growth in the longer term.

Acknowledgements

I would like to express sincere appreciation to our management team and staff for their commitment and dedication. To our Board members, thank you for your invaluable advice and contributions. To our business partners, we are glad that our partnerships have started to bear fruit, and we look forward to a long and rewarding journey with you. To our shareholders, thank you for your trust in and support of Oxley, and we will continue to work hard and bring Oxley to greater heights.

Ching Chiat Kwong
Executive Chairman and CEO

FINANCIAL HIGHLIGHTS



	2016 \$'000	2015 \$'000 restated
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Revenue	981,361	701,800
Profit Before Tax	363,406	172,533
Income Tax Expense	(68,011)	(39,843)
Profit Net of Tax	295,395	132,690
Attributable to:		
Owners	206,003	78,749
Non-Controlling Interests	89,392	53,941
CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Non-Current Assets	1,340,165	1,011,191
Current Assets	3,392,330	3,132,497
Non-Current Liabilities	1,361,073	1,694,256
Current Liabilities	2,406,202	1,659,075
Net Assets	965,220	790,357
Shareholders' Equity	784,663	679,564
Non-Controlling Interests	180,557	110,793
Total Equity	965,220	790,357

BOARD OF DIRECTORS



Ching Chiat Kwong
Executive Chairman and CEO

Mr Ching Chiat Kwong is the Executive Chairman and CEO of the Group. He is responsible for the overall performance, as well as for the formulation of corporate strategies and the future direction of the Group.

Mr Ching is a Non-Executive Director of Artivision Technologies Ltd and NewSat Limited.

Mr Ching possesses nearly 20 years of industry experience. Prior to establishing the Group, he invested in, developed and successfully launched 13 residential property projects in various parts of Singapore. His keen ability to identify market trends and business opportunities has enabled him to chart the course for the Group's expansion towards the development of industrial and commercial projects in addition to residential properties.

Under Mr Ching's leadership, the Group completed the then largest initial public offering on the Catalyst of the Singapore Exchange ("SGX") in 2010.

Apart from his commitments at Oxley, Mr Ching is also an active supporter of programmes that benefit the elderly and socially disadvantaged. He sits on the THK Nursing Home Limited and Ren Ci Hospital Board. Mr Ching graduated with a Bachelor of Arts degree and a Bachelor of Social Sciences (Hons) degree from the National University of Singapore in 1989 and 1990 respectively.

Low See Ching
Deputy CEO and Executive Director

Mr Low See Ching was appointed as Deputy CEO and Executive Director of the Group on 1 February 2014. Prior to this appointment, Mr Low served on the Board as Non-Executive Director. Mr Low is responsible for business development, as well as supporting the CEO in the formulation of corporate strategies and future direction of the Group.

Between 2005 and 2009, he invested in, developed and launched five property development projects in Singapore, namely Residences@ Jansen at Jansen Road, Urban Lofts at Rangoon Road, Vetro at Mar Thoma Road, The Verve at Jalan Rajah and The Aristo@Amber at Amber Road.

Mr Low is currently a Non-Executive Director of Hafary Holdings Limited. He joined Hafary Group in 2000 and rose through the ranks to Executive Director and CEO in 2005 before relinquishing his role in December 2013. He was responsible for the overall management, operations and charting of its corporate and strategic direction, including sales, marketing and procurement strategies.

Mr Low graduated with a Bachelor of Accountancy degree from the Nanyang Technological University, Singapore in 1999.



Ng Weng Sui Harry
Lead Independent Director

Mr Ng Weng Sui Harry joined the Board on 28 September 2010 and was appointed as Lead Independent Director.

He is the Executive Director of HLM (International) Corporate Services Pte. Ltd., a company providing corporate services, including business consultancy, corporate advisory, accounting and secretarial services.

Mr Ng also sits on the boards of Q&M Dental Group (Singapore) Limited, Artivision Technologies Ltd, IEV Holdings Limited and HG Metal Manufacturing Limited as Independent Director where he is Chairman of the Audit Committee.

Mr Ng has more than 30 years of experience in accountancy, finance and audit. He was Chief Financial Officer and Executive Director of Achieva Limited from October 2008 to April 2010 and Chief Financial Officer of Sunmoon Food Company Limited from August 2004 to July 2008 respectively.

He is a Fellow Member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). Mr Ng obtained a Master of Business Administration (General Business Administration) from The University of Hull, UK.



Phua Sian Chin
Independent Director

Mr Phua Sian Chin was appointed to the Board as Independent Director on 28 September 2010. He has served as the Chief Financial Officer of Teho International Inc Ltd. since August 2008 and has more than 35 years of experience in accounting and corporate finance.

He was, for over eight years, the Chief Financial Officer of a holding company listed on the Hong Kong Stock Exchange and Regional Financial Controller for multinational corporations in the Asia-Pacific region for more than 10 years. He was also the group financial head for property development groups in Singapore and Indonesia for over six years.

Mr Phua graduated with a Bachelor of Accountancy degree from the University of Singapore in 1975.

He is currently a Fellow Member of the Institute of Singapore Chartered Accountants, a Fellow of CPA Australia, a Fellow of the Association of Chartered Certified Accountants (UK), and a registered member of the Singapore Institute of Directors.



Lim Yeow Hua @ Lim You Qin
Independent Director

Mr Lim Yeow Hua @ Lim You Qin is our Independent Director and was appointed to the Board on 30 April 2014. Mr Lim is the Founder and Managing Director of Asia Pacific Business Consultants Pte. Ltd., a company providing tax and business consultancy services. He also serves as Independent Director of a number of other companies listed on the SGX.

Mr Lim possesses more than 28 years of experience in tax, financial services and investment banking. Prior to founding Asia Pacific Business Consultants Pte. Ltd., he worked as Senior Regional Tax Manager at British Petroleum (BP), Director (Structured Finance) at UOB Asia Ltd., Senior Tax Manager at KPMG, Senior Vice-President (Structured Finance) at Macquarie Investment Pte. Ltd., Senior Tax Manager at PricewaterhouseCoopers, as well as Deputy Director at the Inland Revenue Authority of Singapore.

Mr Lim graduated with a Bachelor of Accountancy degree and obtained a Masters of Business Administration from the National University of Singapore in 1986 and 1992 respectively.

He is currently a Fellow Member of the Institute of Singapore Chartered Accountants, an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals, and a full member of the Singapore Institute of Directors.

KEY MANAGEMENT



1. Ching Chiat Dee, Judy
General Manager

Ms Ching Chiat Dee, Judy joined Oxley in June 2011 as General Manager. Ms Ching is responsible for the general operations of the Group, including the smooth execution of property development projects. Ms Ching possesses more than 30 years of experience in the marketing and management of residential, commercial and industrial property. Prior to joining Oxley, Ms Ching spent five years with LCD Property Management Pte. Ltd., where her last position held was Senior Manager (Marketing & Leasing). During her employment at LCD Property Management Pte. Ltd., she also spent about 1.5 years holding a concurrent position as General Manager of Paradiz Investment Ltd. Ms Ching was a Senior Manager with Savills Residential before LCD Property, and spent some 22 years with Tuan Sing Holdings Limited, where her last position held was Marketing Manager. Ms Ching is the sister of Mr Ching Chiat Kwong, Executive Chairman and CEO, and a controlling shareholder of Oxley Holdings Limited.



2. Ooi Chee Eng
Financial Controller

Mr Ooi Chee Eng joined Oxley in August 2014 as Financial Controller. He is responsible for the overall financial and accounting functions of the Group. He is also Company Secretary of Oxley Holdings Limited. He has over 15 years of experience in accounting and finance. Prior to joining Oxley, he spent five years with Achieva Limited, where he was initially employed as Group Finance Manager and subsequently rose to the rank of Group Financial Controller. Mr Ooi has held managerial positions in the finance divisions of United Fiber System Ltd and SunMoon Food Ltd., and has worked in Neptune Orient Lines Ltd, Sime Darby Singapore and HK Region and KPMG Singapore. Mr Ooi is a member of the Institute of Singapore Chartered Accountants. He holds a Bachelor of Accountancy from Nanyang Technological University.



3. Ng Suat Kheng, Carol
Administrative Manager

Ms Ng Suat Kheng, Carol joined Oxley in May 2010 as Administrative Manager. Ms Ng is responsible for the Group's overall office administration and sales and marketing support activities. She manages the team of office staff and assists in the generation of management reports, liaison with external service providers including suppliers, government authorities, financial institutions and solicitors, and the handling of tax return matters. Prior to joining Oxley, Ms Ng was an office manager at Oxley Construction Pte Ltd, where she was responsible for the office operations and administration of construction projects. Ms Ng holds a Diploma in Management Studies from the Singapore Institute of Management.



4. Tan Chew Guek, Lindsay
Quantity Survey Manager

Ms Tan Chew Guek, Lindsay joined Oxley in May 2010 as Quantity Survey Manager. Ms Tan is responsible for supporting the Group's quality control effort, building specification preparation, payment certification, and handling of unit handover and defects coordination. She is also responsible for the Group's overall procurement administration as well as the publication of marketing brochures. Prior to joining Oxley, Ms Tan was a quantity surveyor at Oxley Construction Pte Ltd, where she was responsible for preparing tender and contract documents, processing claims, contract payments and settlement of final accounts, and processing and maintaining construction documentation. Ms Tan holds a Diploma in Civil and Structural Engineering from Singapore Polytechnic.



5. Lim Ying Jie, Eugene
Marketing & Sales Director

Mr Lim Ying Jie, Eugene joined Oxley in February 2016 as Marketing & Sales Director. He is responsible for the Marketing & Sales strategy of both local and overseas project launch of the group. Eugene possesses more than 10 years of experience in the marketing and sales of residential and commercial new launches. Prior to joining Oxley, Eugene was with WingTai Property Management where his last position held was Assistant General Manager (Marketing & Sales). Prior to this, Eugene was with Knight Frank (Singapore) for 4 years where he rose from the rank of Senior Manager to Director, Head of Project Marketing where he successfully helped developers to launch more than 35 projects during this period. Before Knight Frank, Eugene was with HSR International, a real estate agency for 4 years where he personally recruited and trained a team of 250 agents focusing on new home sales. He holds a degree in Business Management from University of London.



6. Ong Pee Hock, John
Senior Project Manager

Mr Ong Pee Hock, John joined Oxley in February 2013 as Senior Project Manager. He is responsible for the overall project management of the Singapore properties of the Group. John has over 20 years of experience in project management for public listed companies in the areas of residential, industrial, commercial and hospitality projects, both locally and overseas. Prior to joining Oxley, he spent ten years with LCD Property Management Pte Ltd, where he was initially employed as Project Manager and subsequently rose to the rank of Assistant General Manager (Projects). John has held managerial position as well in the property division of Tuan Sing Holdings Limited and has oversea stint in UAE, Vietnam, Thailand and China during his time with LCD Property Management Pte Ltd. He holds a Diploma in Building Services Engineering and is a qualified Fire Safety Manager.



7. The Ping Ping
Senior Project Manager

Ms The Ping Ping joined Oxley in November 2013 as Senior Project Manager. She is responsible for the project and development management of overseas large scale mixed use developments of the Group, including the negotiations with international hotel operators and contractors. Ping Ping possesses more than 14 years of architectural, interior design and project management experience. She successfully delivered major projects ranging from residential, institutional, commercial and hospitality. Prior to joining Oxley, Ping Ping held managerial positions in National University Hospital and LCD Property Management Pte. Ltd., and has worked in CPG Corporation. Ping Ping is a registered architect with Board of Architects Singapore and an internationally certified Project Management Professional (PMP)®. She holds Master Degree in Architecture and Master Degree in Science (Real Estate) from National University of Singapore.



9. Chan Wah Shen, Austen
Development Manager

Mr Chan Wah Shen, Austen joined Oxley in January 2014 as a Development Manager. He is responsible for the Group's development projects in the United Kingdom, Europe and Australia. Prior to joining Oxley, Austen has worked with DP Architects, and London-based Foster + Partners, where he was responsible for Architectural Design and Project Management. He holds a Master of Architecture from the National University of Singapore.



DEVELOPMENT PROPERTIES

UPCOMING DEVELOPMENTS



Dublin Landings Dublin IRELAND

Situated along Dublin's North Wall Quay and in the heart of Dublin's Docklands, The Dublin Landings, a 2.35 hectare mixed-use development will raise the bar on architecture and landscape design to the standard of other global financial centres.

It is also home to the Central Bank of Ireland's new headquarters. On completion, the site will yield 700,000 sq ft of flexible Grade A office and retail space with 273 luxury residential apartments.

It will be home to 5,500 people who will live and work in the area, creating a vibrant new community in an exciting part of the city.

Dublin Landings will benefit from exceptional transport infrastructure, and appeal to a variety of domestic and international occupiers across a number of sectors.

The immediate locality has experienced and continues to see significant development activity including the development of The Point Village, The Gibson Hotel and the Convention Centre Dublin.

In Summer 2018, the National Treasury Management Agency of Ireland is anticipated to be the first occupant, taking 83,000 sq. ft. of the first office block, a 220,000 sq. ft eight storey waterfront building.



Approximately
100,000 SQM

gross floor area

273

residential units



DEVELOPMENT PROPERTIES

UPCOMING DEVELOPMENTS



175,980 SQM
gross floor area

MALAYSIA

Oxley Towers Kuala Lumpur City Centre Kuala Lumpur

Oxley Towers is a freehold property covering a land area of approximately 12,575 sqm and is located in the middle of the Kuala Lumpur City Centre precinct. Sharing the same skyline with the iconic Petronas Twin Towers, the development is also within easy reach of the Maxis Tower and the Kuala Lumpur Convention Centre. The development comprises two hotel towers with residences, an office tower and a retail podium linking all the three towers. The development will offer a 181-room Jumeirah Kuala Lumpur Hotel and 267-unit Jumeirah Living Kuala Lumpur Residences as well as a 207-room SO Sofitel Kuala Lumpur Hotel and 590-unit SO Sofitel Kuala Lumpur Residences set up respectively in each of the hotel towers upon completion.

Construction has commenced in August 2016.

181 Keys
Jumeirah Hotel

207 Keys
SO Sofitel Hotel



INDONESIA

Oxley Convention City Batam

Oxley Convention City is a flagship masterplan development covering a land area of approximately 20,000 sqm. Located at the heart of Batam's thriving financial district, it is set to change the way the world thinks, meets and works. This iconic development comprises of Batam's first office tower with an integrated convention centre, an exclusive hotel, an exciting retail and F&B avenue, a vibrant collection of shophouses and three towers of luxurious residences.

**Approximately
189,116 SQM
gross floor area**

**1,635
residential units**

DEVELOPMENT PROPERTIES

CURRENT DEVELOPMENTS



UNITED KINGDOM **Royal Wharf** East London

Royal Wharf is an exciting new 363,000 sqm waterfront development by River Thames in East London. With approximately 500 m of direct south facing river frontage, Royal Wharf offers high-quality waterside living with stunning panoramic views. The development comprises 3,385 apartments and townhouses, and approximately 12,000 sqft commercial area comprising office, retail and F&B spaces. With over 45% of designated open spaces and play areas, the development also features a riverside park linking the Royal Wharf Pier, Royal Wharf Amphi-Theatre and Riverside Walk.

The development is in close proximity to the future 14-ha Asian Business Park and boasts outstanding transport links offering quick access to central London via the Underground, DLR a new Crossrail station (opening in 2018), as well as excellent international connectivity via London City Airport and boat links from a proposed brand new pier.

Construction of Phase 1 of the Royal Wharf township development had progressed steadily with the Group commencing the progressive hand over of units to buyers from September 2016 onwards till 2017.

**Over
45%**

of designated open
spaces and play areas



Approximately
363,000 SQM
gross floor area



DEVELOPMENT PROPERTIES

CURRENT DEVELOPMENTS



CAMBODIA

The Bridge Phnom Penh

The Bridge is a freehold development occupying a land area of 10,090 sqm and is located in the heart of Phnom Penh, Cambodia. This majestic development comprises two distinct tower blocks of residential and Soho units interlinked by two sky bridges and a 5-storey retail podium. Standing proudly at 45 storeys, The Bridge will be set within the spectacular cityscape offering a panoramic view of the city center.

Approximately
150,399 SQM
gross floor area



CAMBODIA

The Peak Phnom Penh

The Peak is a freehold property occupying a land area of approximately 12,609 sqm located in the heart of Phnom Penh's prime district facing the Tonle Sap River. Rising 55 storeys into the sky, the development offers a whole new level of living bringing together the choicest picks of residences, shops, restaurants and offices and the prestigious Shangri-La Hotel.

The development comprises two 55-storey residential towers interlinked by a sky gym, a Shangri-La hotel and offices housed in the same building and a 5-storey retail podium. When completed, The Peak will dominate the city's skyline and offer dramatic and sweeping views of Phnom Penh City and the River.

**Approximately
208,750 SQM**

gross floor area

302 Keys

Shangri-La Hotel

DEVELOPMENT PROPERTIES

SINGAPORE

PROJECTS	TENURE	NO. OF UNITS	LAND AREA (SQM)	APPROXIMATE GFA (SQM)
LAUNCHED[^]				
Mixed-Use				
Oxley Edge	Freehold	45 residential 5 shops	1,121	3,226
NEWest	956 yrs	136 residential 141 shops	15,298	25,149
Floraville / Floraview / Floravista	Freehold	140 residential 28 shops	8,249	12,434
KAP Residences / KAP	Freehold	142 residential 107 shops	5,535	17,161
The Rise@Oxley – Residences / The Rise@Oxley*	Freehold	120 residential 29 shops	2,381	10,712
Industrial				
T-Space	30 yrs	251 industrial	27,395	84,315
Commercial				
Oxley Tower	Freehold	104 office 133 shops	1,490	16,839
The Flow	Freehold	56 shops	2,176	6,527
NOT LAUNCHED[^]				
Mixed-Use				
339 – 339C Joo Chiat Road	Freehold	4 residential 1 shop	593	897

[^] As at 30th June 2016.

* The Rise@Oxley not launched.

INTERNATIONAL

PROJECTS	TENURE	DEVELOPMENT TYPE	LAND AREA (SQM)	GFA (SQM)	APPROXIMATE
LAUNCHED					
United Kingdom					
Royal Wharf	London	Freehold & Leasehold	Township	149,734	363,000
Cambodia					
The Bridge	Phnom Penh	Freehold	Mixed Residential and Commercial	10,090	150,399
The Peak	Phnom Penh	Freehold	Mixed Residential and Commercial	12,609	208,750
China					
新港国际城^ (Xin Gang Guo Ji Cheng)	Xuancheng, Anhui Province	Leasehold	Residential	102,506	141,263*
中新健康城^ (Sino-Singapore Health City)	Gaobeidian, Hebei Province	Leasehold	Mixed Residential and Commercial	393,335	1,234,006
PIPELINE					
Dublin					
Dublin Landings	Ireland	Leasehold	Mixed Residential and Commercial	23,500	100,000
Cambodia					
The Garage^	Phnom Penh	Freehold	Mixed Residential and Commercial	8,921	–
Riverside^	Phnom Penh	Freehold	Residential	37,689	–
Malaysia					
Oxley Towers Kuala Lumpur City Centre	Kuala Lumpur	Freehold	Mixed Residential and Commercial	12,575	175,980
Robson^	Kuala Lumpur	Freehold	Residential	7,710	–
Medini^	Johor	99 yrs +30 yrs	Mixed Residential and Commercial	17,280	–
Section 16^	Selangor	Freehold	Mixed Residential and Commercial	20,234	–
Beverly^	Selangor	Freehold	Residential	61,588	–
Pepper Hill^	Penang	Freehold	Residential	119,876	–
Indonesia					
Oxley Convention City	Batam	Leasehold	Mixed Residential and Commercial	20,000	189,116
Myanmar					
Min Residences	Yangon	Leasehold	Mixed Residential and Commercial	12,889	–

^ Project names are for illustrative purposes only.

* Based on submission for current phase.

INVESTMENT ON PROPERTY



Space@Tampines, Singapore

Space@Tampines is a 3-storey and 7-storey ramp-up B2 Clean industrial development built on 30-year leasehold land. The property comprises 71 warehouse units and 1 canteen with an approximate Gross Floor Area (GFA) of 65,893 sqm. Space@Tampines is located at 18 Tampines Industrial Crescent at the intersection of Tampines Expressway (TPE) and Tampines Avenue 10 and is close to Changi, Loyang, Tampines and Seletar Industrial Estates. This ramp up property provides the ideal business space solution for companies under the category of Clean & Light and B2 Industries. Obtaining its TOP in June 2015, Space@Tampines is currently 91% leased out with LHN Space Resources Pte Ltd occupying the second to seventh floors under a master lease of the 7-storey block and furnishings tenants on the ground floor.

HOTELS



Novotel Singapore on Stevens / Ibis Singapore on Stevens, Singapore

Novotel Singapore on Stevens and Ibis Singapore on Stevens is a hotel development located near to Singapore's shopping belts, Scotts Road and Orchard Road. Novotel Singapore on Stevens will offer 254 rooms, a 300-seat ballroom, meeting facilities, F&B outlets, a fitness centre and swimming pool while Ibis Singapore on Stevens will have 528 rooms, a lobby bar/café and a gymnasium. The hotels are looking to open their doors in 2017.

DEVELOPMENT NAME	TENURE	APPROXIMATE GFA (SQM)	% LEASED
SINGAPORE			
Space@Tampines	Leasehold	65,893	91%
Novotel Singapore on Stevens / Ibis Singapore on Stevens	Leasehold	29,564	Under construction

INVESTMENT

Galliard (Group) Limited, United Kingdom

Oxley completed the acquisition of a 20% stake in the enlarged share capital of Galliard (Group) Limited, a leading UK developer on 24 July 2015.

Founded in 1992, Galliard Group has played a key role in London's property transformation, directing at regenerating, rejuvenating and reinventing the city. This includes a portfolio of over 7,000 residential units and hotel suites plus circa 650,000 ft of commercial floor space across London and southern England,

with an additional over 3,600 units subject to planning approval.

The Galliard Group business comprises four business divisions, namely, (a) Galliard Homes which undertakes sales and marketing for the Galliard Group's portfolio of homes, (b) Galliard Construction which handles commercial, residential and mixed-use developments, and construction for joint venture projects and third party developments, (c) Galliard Commercial which

develops hotels, commercial and retail premises, and undertakes joint venture projects and third party work, and (d) Galliard Homes Letting (in partnership with Life Residential) which handles tenancy and re-sale transactions and operates from 13 London branches with investor relation offices located in Singapore, Hong Kong and Cape Town. It currently lets and manages over 3000 London apartments for investors in over 50 countries worldwide with sales transactions amounting to circa £100,000,000 per annum.

	GROSS DEVELOPMENT VALUE / VALUE (£M)	NO. OF UNITS
GALLIARD HOMES		
Current Developments	1,501.4	6,459
Upcoming Developments	485.16	3,639
GALLIARD CONSTRUCTION		
Current Order Book	1,117	5,938
Upcoming Order Book	935	5,252
GALLIARD COMMERCIAL		
Current Developments	97.92	546
Upcoming Developments	N/A	N/A
GALLIARD HOMES LETTING		
Current portfolio	4.2	2,762
Upcoming portfolio	N/A	N/A

CURRENT DEVELOPMENTS

The Stage

Location: Curtain Road, Shoreditch, London EC2A 3NN

Estimated GDV: £650M

Joint Venture: Cain Hoy, Vanke, McCourt
Description: The site is located within Shoreditch, East London, covering 2.3 acres and purchased with the benefit of planning permission for 540,000 sq ft of residential, office, retail and leisure mixed use development. The design of this scheme is centred on the Curtain Theatre, which is a Shakespearean theatre where Shakespeare first performed Romeo & Juliet and Henry V. Planning was approved for the optimisation of the floor layouts, increasing the number of residential units to 412 within the 37 storey tower.

Expected Completion: 2019



Chiltern Street

Location: 22/28 Paddington Street, London, W1U 5QR

Estimated GDV: £230M

Joint Venture: CJ O'Sheas & Frogmore
Description: The Chilterns consists of 44 luxury apartments which offer a standard of living that is second to none in the area. Each apartment provides a living space on an unprecedented scale for this classic part of London and in a style that is simply breathtaking.

Expected Completion: 2017



CORPORATE SOCIAL RESPONSIBILITY

Oxley is firmly committed to the charitable cause of returning to the society, and through the years, Oxley had played active roles through participation in sponsorships and donations to charitable societies and international relief effort. Our Executive Chairman and CEO, Mr Ching Chiat Kwong had personally exemplified the cause through active participation in the fund-raising activities of the Thye Hua Kwan Moral Charities.

November 2013

Oxley donated S\$1,000,000 to provide relief for Typhoon Haiyan victims in Philippines. Oxley believes in playing an active role in contributing to relief efforts across the region. Typhoon Haiyan caused catastrophic damage throughout much of the islands of Leyte, where cities and towns were largely destroyed, causing many homeless. As a premium home builder in the region, Oxley strongly believes that the donation would provide relief measures like evacuation, food, water and shelter.



October 2013

Oxley donated S\$100,000 to Thye Hua Kwan Moral Charities in conjunction with the Oxley-THK Charity Golf Tournament. The contribution was channelled towards the provision of material, medical and emotional support for some 25,000 beneficiaries.

January 2014

Oxley donated S\$50,000 to Che Sen Khor Moral Uplifting Society for its "Light Up The Future Through Education" Pocket Money Assistance Scheme, helping children from less privileged backgrounds continue with their studies.

April 2014

Oxley contributed S\$50,000 to Kebun Baru Community Club at a fundraising gold tournament. The fund raised is being used to support upgrading works at the Community Club to create additional space and provide a more conducive environment for the community.



May 2014

Oxley contributed \$25,000 to the Tan Tock Seng Hospital Community Charity Fund in conjunction with its Charity Ride. The donation is being used to help improve the quality of life of less fortunate patients.

October 2014

Oxley donated £100,000 as title sponsor to Technopop London, a community initiative. The four-week pop-up festival with a focus of different theme each week is aimed at inspiring, enthusing and informing over 100,000 young people about the ideas and innovations that will shape their future in both work and play. In addition, Oxley presented its Royal Wharf development at the Built Environment workshop in the third week of the festival to introduce the children to a world of innovation in architecture and engineering.



January 2015

Oxley contributed S\$500,000 as key sponsor to the Thye Hua Kwan Moral Charities. Our Executive Chairman and CEO, Mr Ching Chiat Kwong was also the Chairperson of the society's fund-raising committee. Part of the fund-raising committee's efforts included the Thye Hua Kwan Charity Show 2015, which was televised on MediaCorp

Channel 8 on 4 January 2015. The Thye Hua Kwan Charity Show 2015, graced by Deputy Prime Minister and Minister for Finance, Mr Tharman Shanmugaratnam raised more than S\$5.5 million. The money raised will be used to fund the society's more than 60 programmes and services to benefit more than 44,000 beneficiaries and also build a new nursing home for the elderly.

CORPORATE SOCIAL RESPONSIBILITY

September 2015

Oxley's management and staff and families participated in Singapore Children's Society's annual charity walk, *Walk for Our Children 2015* in support of the Singapore Children's Society's mission to meet the changing needs of children, and to promote the spirit of charity. In addition to participation in the event, Oxley donated S\$10,000 to Singapore Children's Society fund.



May 2016

Oxley is the title sponsor for 2016 *China Super Vocal Singapore Audition Grand Final*, in support of nurturing and grooming young talent. The organiser of the singing contest had invited renowned veterans from the singing industry as judges to provide valuable feedbacks to the participants. The contest attracted participants from all walks of life and provided a platform for the young to pursue their dreams.

July 2016

Oxley donated a new commuter bus to Public Free Clinic Society to enable them to provide to and fro free transportation service for the elderly coming to the new Geriatrics Treatment Centre which is expected to be operational in 2016/2017. This initiative supports the needs of our pioneer generation and lessens the financial burden of the less privileged in our society.

September 2016

Oxley donated S\$50,000 as a Gold Bull Sponsor in the SGX Bull Charge Charity Run 2016. The annual run is dedicated to supporting underprivileged children and families, disabled people and the elderly through the following four charities – Asian Women's Welfare Association (AWWA), Autism Association (Singapore), Fei Yue Community Services and Shared Services for Charities. Company staff will participate in the Charity Run taking place in November 2016 to help increase awareness.

CORPORATE INFORMATION

Directors

Ching Chiat Kwong

Executive Chairman and CEO

Low See Ching

Deputy CEO and Executive Director

Ng Weng Sui Harry

Lead Independent Director

Phua Sian Chin

Independent Director

Lim Yeow Hua @ Lim You Qin

Independent Director

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place #32-01

Singapore Land Tower

Singapore 048623

Internal Auditors

Pioneer Management Services Pte. Ltd.

4 Shenton Way #04-01

SGX Centre 2

Singapore 068807

Director-in-charge: Low Sok Lee Mona

External Auditors

RSM Chio Lim LLP

8 Wilkie Road #04-08

Wilkie Edge

Singapore 228095

Partner-in-charge: Chan Weng Keen

(from the financial year ended 30 June 2016)

(Chartered Accountant Singapore, a member of the Institute of Singapore Chartered Accountants)

Principal Bankers

United Overseas Bank Limited

Hong Leong Finance Limited

Malayan Banking Berhad

DBS Bank Ltd

Company Secretary

Ooi Chee Eng

Registered Office

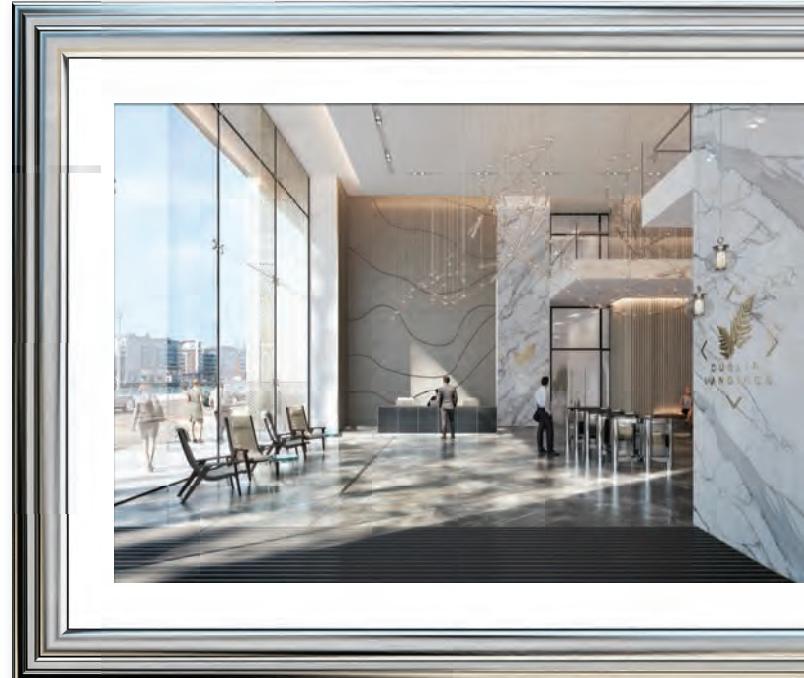
50 Raffles Place #11-02

Singapore Land Tower

Singapore 048623

Tel: 6438 0202

Fax: 6438 2020



Reception lobby at Jumeirah Kuala Lumpur Hotel

Reception lobby at Dublin Landings



CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) of Oxley Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) recognises the importance of corporate governance and the offering of high standards of accountability to the shareholders of the Company by complying with the benchmark set by the Code of Corporate Governance 2012 (the “**Code**”).

This report sets out the corporate governance practices that have been adopted by the Company with specific reference to the principles of the Code, as well as any deviation from any guideline of the Code together with an explanation for such deviation.

Statement of Compliance

The Board confirms that for the financial year ended 30 June 2016 (“**FY2016**”), the Company has generally adhered to the principles and guidelines as set out in the Code, save as otherwise explained below.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board comprises five directors, which include two executive directors and three independent directors, all of whom are from different disciplines and bring with them diversity of experience which will enable them to contribute effectively to the Company.

The principal functions of the Board, apart from its statutory responsibilities, include:-

- to review and oversee the management of the Group’s business affairs and financial controls, performance and resource allocation;
- to approve matters such as corporate strategy and business plans, corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets and major corporate policies on key areas of operations;
- to establish a framework of prudent and effective controls to assess and manage risks and safeguard shareholders’ interests and the Group’s assets;
- to approve the release of the Group’s quarterly and full-year financial results and related party transactions of a material nature; and
- to assume the responsibilities for corporate governance.

Every director is expected, in the course of carrying out his duties, to act in good faith to provide insights and objectively take decisions in the interest of the Company.

The Board has established three Board committees, namely, the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) to assist in the execution of its responsibilities. These committees operate within clearly defined terms of reference.

CORPORATE GOVERNANCE REPORT

The Board meets on a regular basis and ad-hoc Board meetings are convened when they are deemed necessary. In between Board meetings, other important matters will be tabled for the Board's approval by way of circulating resolutions in writing. The Company's Articles of Association provide for meetings of directors to be held by means of telephone conference or other methods of simultaneous communication by electronic or other means.

The attendance of the directors at scheduled meetings of the Board and Board committees during FY2016 is disclosed below:-

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	4	4	1	1
Number of meetings attended				
Ching Chiat Kwong	4	4	1	1
Low See Ching	4	4	1	1
Ng Weng Sui Harry	3	4	1	1
Phua Sian Chin	4	4	1	1
Lim Yeow Hua @ Lim You Qin	4	4	1	1

Newly appointed directors will receive a formal letter explaining their duties and responsibilities and will be given an orientation of the Group's business strategies and operations. Directors also have the opportunity to visit the Group's development sites and meet with the Management as and when necessary to gain a better understanding of the Group's business operations and governance practices. All directors who have no prior experience as directors of a listed company will undergo training and briefing on the roles and responsibilities as directors of a listed company. The directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars may be arranged and funded by the Company. The external auditors update the directors on the new or revised financial reporting standards on an annual basis.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and substantial shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As at the date of this report, the Board comprises the following directors:-

Executive Directors

Executive Chairman and Chief Executive Officer ("CEO")
Deputy CEO and Executive Director

Non-Executive Directors

Ng Weng Sui Harry Lead Independent Director
Phua Sian Chin Independent Director
Lim Yeow Hua @ Lim You Qin Independent Director

The Board comprises directors who have the right core competencies and diversity of experience to enable them, in their collective wisdom, to contribute effectively.

CORPORATE GOVERNANCE REPORT

The independent directors make up more than half of the Board. There is a strong independent element on the Board. The Board has adopted the Code's criteria of an independent director in its review. An "independent" director is one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgment with a view to the best interests of the Company. The independence of each independent director will be reviewed annually by the NC and the Board. Each independent director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code. The independence of any director who has served on the Board beyond nine years from the date of his first appointment will be subject to more rigorous review, taking into account the need for progressive refreshing of the Board. The NC and the Board are of the view that all its independent non-executive directors have satisfied the criteria of independence as a result of its review.

The Board has examined its size and is of the view that it is appropriate for effective decision-making, taking into account the nature and scope of the Group's operations and the requirements of the Group's business.

The composition of the Board will be reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience, which the Group may tap for assistance in furthering its business objectives and shaping its business strategies. Together, the directors as a group provide core competencies in business, accounting, investment, audit and taxation matters.

The independent directors also communicate regularly to discuss matters such as the Group's financial performance, corporate governance initiatives, the performance of the Management, and the remuneration of the executive directors and senior management.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Ching Chiat Kwong is the Executive Chairman and CEO of the Company and bears executive responsibility for the Group's business performance and promoting high standards of corporate governance. He also assumes the responsibility of the chairman of the Board and is responsible for scheduling Board meetings as and when required, setting the agenda for Board meetings and ensuring the quality, quantity and timeliness of the flow of information between the Management, the Board and shareholders. He is also responsible for ensuring compliance with the Company's guidelines on corporate governance.

Mr Low See Ching is the Deputy CEO and Executive Director of the Company and supports the CEO in business development, formulation of corporate strategies and charting the future direction of the Group.

The Company has not created a separate CEO position as the Board is of the view that the current Board composition is appropriate and effective for the purposes for which the Board's roles and responsibilities are set up. The Board is of the view that with the establishment of the three Board committees, there are adequate safeguards in place to prevent an uneven concentration of power and authority in a single individual.

In view that Mr Ching Chiat Kwong is both Executive Chairman and CEO, the Board has appointed Mr Ng Weng Sui Harry as the lead independent director. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman and CEO or Financial Controller has failed to resolve or is inappropriate. Led by the lead independent director, the independent directors meet without the presence of the other directors, if deemed necessary. Where appropriate, the lead independent director provides feedback to the Executive Chairman after such meetings.

CORPORATE GOVERNANCE REPORT

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises the following members:-

Phua Sian Chin (Chairman)

Ng Weng Sui Harry

Lim Yeow Hua @ Lim You Qin

The chairman of the NC, Mr Phua Sian Chin, is an independent director, while Mr Ng Weng Sui Harry is the lead independent director and Mr Lim Yeow Hua @ Lim You Qin is an independent director. Mr Phua Sian Chin is not associated with any substantial shareholder of the Company.

The key terms of reference of the NC are as follows:-

- to make recommendations to the Board on relevant matters relating to the review of board succession plans for directors, in particular, the Executive Chairman and for the CEO, to develop a process for evaluation of the performance of the Board, the Board committees and directors, and to review training and professional development programmes for the Board;
- to make recommendations to the Board on the appointment and re-appointment of directors (including alternate directors, if applicable), taking into consideration the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (such as attendance, preparedness, participation and candour);
- to ensure that all directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years;
- to determine annually, and as and when circumstances require, whether a director (including an alternate director) is independent, bearing in mind paragraph 2.3 of the Code and any other salient factors;
- to decide if a director is able to and has been adequately carrying out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments; and
- to assess the effectiveness of the Board as a whole and its Board committees and the contribution by the Executive Chairman and each individual director to the effectiveness of the Board.

The NC is in charge of re-nominating the directors, having regard to their contribution and performance. Pursuant to Article 104 of the Company's Articles of Association, one-third of the directors shall retire from office at the Company's Annual General Meeting ("AGM"), provided that all directors shall retire at least once every three years. Pursuant to Article 106, a retiring director shall be eligible for re-election at the meeting at which he retires. In addition, Article 114 provides that a director appointed by the Board must retire and submit himself for re-election at the next AGM following his appointment.

CORPORATE GOVERNANCE REPORT

The dates of initial appointment of each director, together with his directorships in other listed companies, are set out below:-

Name of director	Appointment	Date of initial appointment	Date of last re-election	Current directorships in listed companies	Past directorships in listed companies
Ching Chiat Kwong	Executive Chairman and CEO	16 March 2010	27 October 2014	Median Group Inc. (formerly Clixster Mobile Group Inc.) NewSat Limited	Artivision Technologies Ltd. BRC Asia Ltd HG Metal Manufacturing Limited
Low See Ching	Deputy CEO and Executive Director	16 March 2010	28 October 2015	Hafary Holdings Limited	HG Metal Manufacturing Limited
Ng Weng Sui Harry	Lead Independent Director	28 September 2010	28 October 2015	Artivision Technologies Ltd. HG Metal Manufacturing Limited IEV Holdings Limited Q&M Dental Group (Singapore) Limited	
Phua Sian Chin	Independent Director	28 September 2010	27 October 2014	None	Jason Holdings Limited
Lim Yeow Hua @ Lim You Qin	Independent Director	30 April 2014	27 October 2014	Advanced Integrated Manufacturing Corp. Ltd. Eratat Lifestyle Limited China Minzhong Food Corporation Limited KTL Global Limited KSH Holdings Limited	Great Group Holdings Limited

According to Article 104 of the Company's Articles of Association, Mr Ching Chiat Kwong and Mr Phua Sian Chin will retire at the Company's forthcoming AGM and will be eligible for re-election.

When a director has multiple board representations, the NC also considers whether or not the director is able to and has adequately carried out his duties as a director of the Company. The NC is satisfied that sufficient time and attention has been given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations. The Board is of the view that there is no necessity at this point in time to determine the maximum number of listed company board representations which a director may hold, as each director is able to devote sufficient time and attention to the affairs of the Company.

CORPORATE GOVERNANCE REPORT

When the need for a new director arises, or where it is considered that the Board would benefit from the services of a new director with particular skills or to replace a retiring director, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. In its search and nomination process for new directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates.

The profiles and key information on the individual directors and their shareholdings in the Company are set out in the "Board of Directors" section and the "Statement by Directors" section of this Annual Report. None of the directors directly hold shares in the subsidiaries of the Company.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board's performance is reflected in the overall performance of the Group. The Board ensures compliance with the applicable laws and the Board members act in good faith, with due diligence and care in the best interest of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual director. Given the size of the Board, the NC is of the view that it is not necessary to assess each Board committee. The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The performance criteria include how the Board has enhanced long-term shareholders' value, financial performance indicators as well as share price performance. These performance criteria will not be changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the onus will be on the Board to justify such changes.

The evaluation of individual directors aims to assess whether each director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and committee meetings, and any other duties). The Executive Chairman will be briefed on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of directors, in consultation with the NC.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Company recognises the importance of the flow of information for the Board to discharge its duties effectively. The Management provides the Board with quarterly management accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary. The Board has separate and independent access to the company secretary and the Management at all times. Under the direction of the Executive Chairman, the company secretary facilitates information flow within the Board and its committees and between the Management and non-executive directors. The company secretary attends all meetings of the Board and Board committees and ensures that all Board procedures are followed and applicable rules and regulations are complied with. The minutes of all Board committee meetings are circulated to the Board. The appointment and removal of the company secretary are subject to the approval of the Board as a whole.

The Board will have independent access to professional advice when required, subject to the approval of the Executive Chairman. The fees of professional advice will be borne by the Company.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises the following members:-

Lim Yeow Hua @ Lim You Qin (Chairman)

Phua Sian Chin

Ng Weng Sui Harry

The chairman of the RC, Mr Lim Yeow Hua @ Lim You Qin, is an independent director, while Mr Ng Weng Sui Harry is the lead independent director and Mr Phua Sian Chin is an independent director.

The key terms of reference of the RC are as follows:-

- to review and recommend for endorsement by the entire Board a general framework of remuneration for the directors and key management personnel;
- to review and recommend for endorsement by the entire Board the specific remuneration packages for each director as well as for the key management personnel, covering all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
- to review and recommend to the Board the terms of renewal of the service contracts of directors; and
- to review the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of services, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC's recommendations are submitted for endorsement by the entire Board. No director is involved in deciding his own remuneration. If necessary, the RC will seek expert advice on the remuneration of directors.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the Company takes into consideration the remuneration packages and employment conditions within the industry and in comparable companies. The remuneration package also takes into account the Company's relative performance and the performance of individual directors and key management personnel. The remuneration package is designed to allow the Company to better align the interests of the executive directors and key management personnel with those of shareholders and link rewards to corporate and individual performance.

The directors are paid directors' fees, taking into account factors such as effort and time spent, and responsibilities of the directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

The remuneration package of the executive directors includes a basic salary and an annual incentive bonus based on the audited financial performance of the Group.

CORPORATE GOVERNANCE REPORT

The Company has entered into service agreements with the Executive Chairman and CEO, Mr Ching Chiat Kwong, and the Deputy CEO and Executive Director, Mr Low See Ching, for initial periods of three years. Upon the expiry of the initial period of three years, the employment of the executive directors would be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. The service agreements provide for termination by each party giving not less than six months' notice in writing.

The RC is of the view that it is currently not necessary to have contractual provisions to allow the Company to reclaim incentive components of remuneration from the executive directors and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

Currently, the Company does not have any long-term incentive schemes.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The following shows the level and mix of the remuneration paid or payable for FY2016 to each director and key management personnel (who is not also a director):-

Remuneration bands	Salary ⁽¹⁾ %	Variable or performance related income/ bonuses %	Directors' fees ⁽²⁾ %	Total %
Directors				
\$S\$9,000,000 to \$S\$9,249,999				
Ching Chiat Kwong ⁽³⁾	3.0	96.5	0.5	100
\$S\$1,500,000 to \$S\$1,750,000				
Low See Ching ⁽⁴⁾	17.4	79.3	3.3	100
Below \$S\$250,000				
Ng Weng Sui Harry	—	—	100	100
Phua Sian Chin	—	—	100	100
Lim Yeow Hua @ Lim You Qin	—	—	100	100
Key Management Personnel				
Below \$S\$250,000				
Ching Chiat Dee ⁽⁵⁾	81.6	18.4	—	100
Ooi Chee Eng	82.2	17.8	—	100
Ong Pee Hock John	82.3	17.7	—	100
The Ping Ping	82.4	17.6	—	100
Chan Wah Shen Austen	82.7	17.3	—	100

Notes:-

⁽¹⁾ Salary is inclusive of salary, allowances and Central Provident Fund contributions.

⁽²⁾ Directors' fees are subject to the approval of the shareholders at the forthcoming AGM.

⁽³⁾ Based on his service agreement, Mr Ching Chiat Kwong is eligible to be paid an incentive bonus, if the profit before tax less minority interests of the Group ("PBT") exceeds \$S\$3.0 million based on the audited financial statements, equivalent to 3% of the first \$S\$2.0 million of the PBT exceeding \$S\$3.0 million, 4% of the next \$S\$2.5 million of the PBT, and 5% of the PBT in excess of \$S\$7.5 million. Based on the audited financial statements for FY2016, an incentive bonus of \$S\$8.8 million would be paid to Mr Ching Chiat Kwong.

⁽⁴⁾ Based on his service agreement, Mr Low See Ching is eligible to be paid an incentive bonus, if the adjusted PBT of the Group ("Adjusted PBT") exceeds \$S\$3.0 million based on the audited financial statements, equivalent to 1.5% of the first \$S\$2.0 million of the Adjusted PBT exceeding \$S\$3.0 million, 2% of the next \$S\$2.5 million of the Adjusted PBT, and 2.5% of the Adjusted PBT in excess of \$S\$7.5 million. Based on the audited financial statements for FY2016, an incentive bonus of \$S\$1.1 million would be paid to Mr Low See Ching.

⁽⁵⁾ Ms Ching Chiat Dee is a sister of Mr Ching Chiat Kwong, the Executive Chairman and CEO of the Company.

CORPORATE GOVERNANCE REPORT

The aggregate remuneration paid to the five key management personnel of the Group in FY2016 amounted to S\$804,000.

The Board is of the view that full disclosure of the specific remuneration of each individual director and key management personnel and the disclosure of the remuneration of an employee who is an immediate family member of a director or the CEO in bands of S\$50,000 is not in the best interests of the Company, taking into account the sensitive nature of the subject, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.

Save as disclosed in note (5) above, there is no employee who is an immediate family member of a director or the CEO and was paid more than S\$50,000 during FY2016. "Immediate family member" means spouse, child, adopted child, step-child, brother, sister and parent.

Currently, the Company does not have any employee share schemes.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board understands its accountability to the shareholders on the Group's performance, financial position and prospects. The objectives of the presentation of the annual financial statements and quarterly announcements to its shareholders are to provide the shareholders with a detailed and balanced analysis and explanation of the Group's performance, financial position and prospects. In line with the rules of the SGX-ST Listing Manual, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements.

The Management understands its role in providing all members of the Board with the management accounts and such explanation and information on a regular basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, financial position and prospects.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

The external auditors and internal auditors conduct annual reviews of the effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

CORPORATE GOVERNANCE REPORT

The Board has received assurance from the CEO and the Financial Controller (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and (b) regarding the effectiveness of the Company's risk management and internal control systems.

Based on the various internal controls put in place by the Group, the work performed and reports submitted by the external auditors and internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is of the opinion that the internal controls of the Group, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at 30 June 2016.

Audit Committee

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises the following members:-

Ng Weng Sui Harry (Chairman)
Phua Sian Chin
Lim Yeow Hua @ Lim You Qin

The chairman of the AC, Mr Ng Weng Sui Harry, is the lead independent director, while Mr Phua Sian Chin and Mr Lim Yeow Hua @ Lim You Qin are independent directors. All AC members have accounting or related financial management qualification to discharge their responsibilities as members of the committee.

The key terms of reference of the AC are as follows:-

- to review the audit plans of the external auditors and internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls;
- to review the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with relevant financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;
- to review the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and such other information required by the SGX-ST Listing Manual, before submission to the Board for approval;
- to review and discuss with the external and internal auditors any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
- to review the co-operation given by the Management to the external auditors;
- to review the independence of the external auditors annually;
- to make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;

CORPORATE GOVERNANCE REPORT

- to review and/or ratify any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;
- to review potential conflicts of interests (if any);
- to review the procedures by which employees of the Group and any other persons may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensuring that there are arrangements in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group, and review the adequacy and effectiveness of the internal audit function at least annually;
- to review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management;
- to review the scope and results of the external audit and its cost effectiveness and the independence and objectivity of the external auditors, and where the external auditors also supply a substantial volume of non-audit services to the Company, keep the nature and extent of such services under review, seeking to maintain objectivity;
- to approve internal control procedures and arrangements for all interested person transactions; and
- to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any director or executive officer of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

The AC meets with the external auditors, and with the internal auditors, without the presence of the Management, at least annually.

The external auditors update the AC on any changes in accounting standards impacting the financial statements of the Group before an audit commences.

The AC reviews the whistle-blowing policy and procedures, which provide staff with well-defined and accessible channels within the Group for reporting possible improprieties in matters of financial reporting or other matters in confidence and ensure that there is independent investigation of such matters and appropriate follow-up action.

The Company's external auditors are RSM Chio Lim LLP. During FY2016, the fees paid by the Company to the external auditors for audit and non-audit services amounted to S\$235,000 and S\$142,000, respectively. The AC has undertaken a review of all non-audit services provided to the Company by the external auditors and they would not, in the AC's opinion, affect the independence of the external auditors. As such, the AC has recommended to the Board that RSM Chio Lim LLP be nominated for re-appointment as external auditors at the forthcoming AGM.

The Company has complied with Rules 712 and 716 of the SGX-ST Listing Manual in relation to its external auditors.

CORPORATE GOVERNANCE REPORT

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Group's assets. The Company outsourced the internal audit function to a professional firm to review the Company's internal control processes in FY2016. The internal auditors report primarily to the AC Chairman and administratively to the CEO. The internal auditors plan their internal audit schedules in consultation with, but independent of, the Management. The AC will approve the annual internal audit plans, and review the scope and the results of the internal audit performed by the internal auditors. The AC will ensure the adequacy of the internal audit function at least annually.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable.

Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNet. The Company encourages shareholders' participation during the general meetings. Shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters during the general meetings. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company has appointed investor relations consultants to facilitate communication with shareholders, analysts and investors. The Company's quarterly and full year results announcements, corporate presentations and press releases are issued via SGXNet. Shareholders have access to information on the Group via the Company's website. The Company discloses all material information on a timely basis to all shareholders.

Where appropriate, the Company would hold investor road shows for investors to seek a better understanding of the Group's business.

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.

CORPORATE GOVERNANCE REPORT

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company supports the Code's principle to encourage communication with and participation by shareholders. Shareholders are encouraged to attend the AGM to ensure a greater level of shareholder participation. The Articles of Association allow a shareholder of the Company to appoint up to two proxies to attend the AGM and vote in place of the shareholder, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Shareholders are given the opportunity to pose questions to the Board or the Management at the AGM. The members of the AC, NC and RC will be present at the AGM to answer questions relating to matters overseen by the respective committees. The external auditors will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditor's report. Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request.

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principles as regards "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will provide reasons and material implications.

RISK MANAGEMENT

Pursuant to the SGX-ST Listing Manual Rule 1207(4)(b)(iv), the Group is continually reviewing and improving its business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources and updating work flows, processes and procedures to meet the current and future market conditions. The Group has also considered the various financial risks and management, details of which can be found in the Annual Report.

DEALING IN SECURITIES

The Group has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing of shares of the Company. The policies have been made known to directors, executive officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group. The Group has procedures in place prohibiting directors and officers from dealing in the Company's shares during the two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and the one month before the announcement of the Company's full year financial statements ("Prohibited Periods"), or if they are in possession of unpublished material price-sensitive information of the Group.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the Prohibited Periods. They are discouraged from dealing in the Company's securities on short-term considerations and should be mindful of the law on insider trading.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

The Company is required to comply with the requisite rules under Chapter 9 of the Listing Manual for interested person transactions.

All interested person transactions will be properly documented and submitted to the AC for quarterly review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders.

In addition, an interested person transaction of value equal to or more than 3% of the Group's latest audited net tangible assets will be approved by the AC prior to entry into such transactions.

In the event that a member of the AC is interested in any interested person transaction, he will abstain from reviewing that particular transaction.

The Board will ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards are complied with.

Save as disclosed below, there were no material contracts of the Group involving the interests of any director or controlling shareholder, either still subsisting at the end of FY2016 or if not then subsisting, entered into since the end of the financial year ended 30 June 2015.

The aggregate value of interested person transactions during FY2016 is as follows:-

Name of interested person	Aggregate value of all interested person transactions during FY2016 (excluding transactions less than S\$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920) (S\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (S\$'000)
Oxley Construction Pte. Ltd. for construction of property development projects and construction of showflats	-	1,314



FINANCIAL CONTENTS

- 43 Statement by Directors
- 46 Independent Auditors' Report
- 48 Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 49 Statements of Financial Position
- 50 Statements of Changes in Equity
- 52 Consolidated Statement of Cash Flows
- 53 Notes to the Financial Statements

STATEMENT BY DIRECTORS

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 30 June 2016.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors in office at date of statement

The directors of the Company in office at the date of this statement are:

Ching Chiat Kwong
Low See Ching
Ng Weng Sui Harry
Phua Sian Chin
Lim Yeow Hua @ Lim You Qin

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act") except as follows:

Name of directors and companies in which interests are held	At beginning of the reporting year	At end of the reporting year	At 21 July 2016
<u>Number of ordinary shares of no par value</u>			
<u>The Company</u>		<u>Direct interest</u>	
Ching Chiat Kwong	362,896,710	1,259,087,510	1,259,087,510
Low See Ching	235,087,691	845,337,191	845,337,191
Ng Weng Sui Harry	350,000	350,000	350,000
		<u>Deemed interest</u>	
Ching Chiat Kwong	1,503,592,200	—	—
Low See Ching	1,503,592,200	—	—

STATEMENT BY DIRECTORS

3. Directors' interests in shares and debentures (cont'd)

Name of directors and companies in which interests are held	At beginning of the reporting year	Direct interest At end of the reporting year	At 21 July 2016
<u>The Company</u>			<u>Medium term notes</u>
Ching Chiat Kwong	\$7,750,000 ^(a)	—	—
Low See Ching	\$7,750,000 ^(a)	—	—
<u>Subsidiary – Oxley MTN Pte. Ltd.</u>			<u>Bonds</u>
Ching Chiat Kwong	—	\$3,000,000 ^(b)	\$3,000,000 ^(b)

(a) The medium term notes bear fixed interest rate of 4.75% per annum and are due in the reporting year 2019. The medium term notes were redeemed during the reporting year 2016.

(b) The bonds bear fixed interest rate of 5.15% per annum and are due in the reporting year 2020.

By virtue of section 7 of the Act, Ching Chiat Kwong and Low See Ching are deemed to have an interest in all related body corporates of the Company.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted and there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the Company or other body corporate in the Group under option.

6. Independent auditors

RSM Chio Lim LLP have expressed their willingness to accept re-appointment.

STATEMENT BY DIRECTORS

7. Audit committee

The members of the audit committee at the date of this statement are as follows:

Ng Weng Sui Harry	(Chairman of audit committee and Lead Independent Director)
Phua Sian Chin	(Independent Director)
Lim Yeow Hua @ Lim You Qin	(Independent Director)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditors their audit plan.
- Reviewed with the independent external auditors their evaluation of the Company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by management to the internal auditor.
- Reviewed the financial statements of the Group and of the Company prior to their submission to the directors of the Company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the Corporate Governance Report included in the Annual Report of the Company. It also includes an explanation of how independent auditors' objectivity and independence are safeguarded where the independent auditors provide non-audit services.

The audit committee has recommended to the board of directors that RSM Chio Lim LLP be nominated for re-appointment as the independent auditors at the next annual general meeting of the Company.

8. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 28 August 2016, which would materially affect the Group's and the Company's operating and financial performance as of the date of this statement.

On behalf of the directors

Ching Chiat Kwong
Director

Low See Ching
Director

30 September 2016

INDEPENDENT AUDITORS' REPORT

to the Members of OXLEY HOLDINGS LIMITED
(Registration No: 201005612G)

Report on the financial statements

We have audited the accompanying financial statements of Oxley Holdings Limited (the "Company") and its subsidiaries collectively (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

INDEPENDENT AUDITORS' REPORT

to the Members of OXLEY HOLDINGS LIMITED
(Registration No: 201005612G)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

30 September 2016

Partner-in-charge: Chan Weng Keen
Effective from the reporting year ended 30 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000 (Restated)
Revenue	5	981,361	701,800
Cost of sales		(687,490)	(497,690)
Gross profit		293,871	204,110
Other income	6	1,798	4,431
Interest income		4,746	2,891
Other gains	7	106,563	29,262
Marketing and distribution costs		(14,340)	(13,086)
Administrative expenses	9	(28,009)	(17,298)
Other losses	7	(26,439)	(17,172)
Finance costs	10	(54,513)	(41,039)
Share of profit from equity-accounted associates		49,537	–
Share of profit from equity-accounted joint ventures		30,192	20,434
Profit before income tax		363,406	172,533
Income tax expense	11	(68,011)	(39,843)
Profit, net of tax		295,395	132,690
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains (losses) on property revaluation, net of tax		754	(40,985)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(33,121)	4,509
Other comprehensive loss for the year, net of tax		(32,367)	(36,476)
Total comprehensive income for the year		263,028	96,214
Profit attributable to owners, net of tax		206,003	78,749
Profit attributable to non-controlling interests, net of tax		89,392	53,941
Profit, net of tax		295,395	132,690
Total comprehensive income attributable to owners		173,616	42,294
Total comprehensive income attributable to non-controlling interests		89,412	53,920
Total comprehensive income		263,028	96,214
Earnings per share	12	Cents	Cents
Basic		7.00	2.67
Diluted		7.00	2.67

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2016

	Notes	30.6.2016 \$'000	Group 30.6.2015 \$'000 (Restated)	1.7.2014 \$'000 (Restated)	Company 2016 \$'000	2015 \$'000
ASSETS						
Non-current assets						
Property, plant and equipment	14	690,084	642,501	665,053	212	179
Investment properties	15	403,754	298,487	213,596	–	–
Investments in subsidiaries	16	–	–	–	32,035	25,035
Investments in associates	17	159,429	–	–	490	–
Investments in joint ventures	18	42,787	37,138	17,029	23,074	33,564
Deferred tax assets	11	9,241	3,695	2,604	–	–
Other receivables	19	32,631	26,044	–	598,352	180,451
Available-for-sale financial assets	20	2,239	3,326	–	–	–
Total non-current assets		1,340,165	1,011,191	898,282	654,163	239,229
Current assets						
Development properties	21	2,460,655	2,478,880	2,143,305	–	–
Trade and other receivables	22	358,896	286,366	265,564	900,483	1,014,673
Other assets	23	21,526	23,277	40,172	150	149
Cash and cash equivalents	24	551,253	343,974	359,920	86,846	2,861
Total current assets		3,392,330	3,132,497	2,808,961	987,479	1,017,683
Total assets		4,732,495	4,143,688	3,707,243	1,641,642	1,256,912
EQUITY AND LIABILITIES						
Equity attributable to owners						
Share capital	25	156,025	163,880	163,880	156,025	163,880
Retained earnings		502,959	357,618	284,176	119,657	149,211
Other reserves	26	125,679	158,066	194,521	–	–
Equity, attributable to owners		784,663	679,564	642,577	275,682	313,091
Non-controlling interests		180,557	110,793	58,491	–	–
Total equity		965,220	790,357	701,068	275,682	313,091
Non-current liabilities						
Deferred tax liabilities	11	126,484	86,141	75,460	–	–
Other financial liabilities	27	1,234,589	1,608,115	1,991,037	108,551	445,966
Total non-current liabilities		1,361,073	1,694,256	2,066,497	108,551	445,966
Current liabilities						
Income tax payable		33,581	20,110	56,529	1,577	1,201
Trade and other payables	28	346,191	240,165	264,849	841,292	272,003
Other financial liabilities	27	1,420,925	822,773	299,312	414,540	224,651
Other liabilities	29	605,505	576,027	318,988	–	–
Total current liabilities		2,406,202	1,659,075	939,678	1,257,409	497,855
Total liabilities		3,767,275	3,353,331	3,006,175	1,365,960	943,821
Total equity and liabilities		4,732,495	4,143,688	3,707,243	1,641,642	1,256,912

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 30 June 2016

Group	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Equity Attributable to Owners sub-total \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
Current year:						
Opening balance at 1 July 2015	163,880	302,075	4,618	470,573	99,524	570,097
Restatements (Note 39)	–	55,543	153,448	208,991	11,269	220,260
Restated opening balance at 1 July 2015	163,880	357,618	158,066	679,564	110,793	790,357
Total comprehensive income for the year	–	206,003	(32,387)	173,616	89,412	263,028
Dividends paid (Note 13)	–	(60,662)	–	(60,662)	(19,648)	(80,310)
Purchase of treasury shares (Note 25)	(7,855)	–	–	(7,855)	–	(7,855)
Closing balance at 30 June 2016	156,025	502,959	125,679	784,663	180,557	965,220
Previous year:						
Opening balance at 1 July 2014	163,880	246,474	88	410,442	54,743	465,185
Restatements (Note 39)	–	37,702	194,433	232,135	3,748	235,883
Restated opening balance at 1 July 2014	163,880	284,176	194,521	642,577	58,491	701,068
Total comprehensive income for the year (restated)	–	78,749	(36,455)	42,294	53,920	96,214
Dividends paid (Note 13)	–	(5,307)	–	(5,307)	(1,618)	(6,925)
Closing balance at 30 June 2015 (restated)	163,880	357,618	158,066	679,564	110,793	790,357

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 30 June 2016

Company	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Current year:			
Opening balance at 1 July 2015	163,880	149,211	313,091
Total comprehensive income for the year	–	31,108	31,108
Dividends paid (Note 13)	–	(60,662)	(60,662)
Purchase of treasury shares (Note 25)	(7,855)	–	(7,855)
Closing balance at 30 June 2016	156,025	119,657	275,682
 Previous year:			
Opening balance at 1 July 2014	163,880	145,159	309,039
Total comprehensive income for the year	–	9,359	9,359
Dividends paid (Note 13)	–	(5,307)	(5,307)
Closing balance at 30 June 2015	163,880	149,211	313,091

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 30 June 2016

	2016 \$'000	2015 \$'000 (Restated)
Cash flows from operating activities		
Profit before income tax	363,406	172,533
Interest income	(4,746)	(2,891)
Finance costs	54,513	41,039
Share of profit from equity-accounted associates	(49,537)	–
Share of profit from equity-accounted joint ventures	(30,192)	(20,434)
Depreciation of property, plant and equipment	499	433
Write off of property, plant and equipment	1	19
Impairment loss on development properties	12,938	4,839
Fair value (gains) losses on financial instruments	(808)	3,333
Gains on disposal of long-term investments	(25,619)	–
Gains on fair value changes in investment properties	(76,436)	(29,223)
Net effect of exchange rate changes	(18,136)	6,526
Operating cash flows before changes in working capital	225,883	176,174
Development properties	66,393	(330,616)
Trade and other receivables	(75,894)	(46,848)
Other assets	1,751	16,895
Trade and other payables	100,714	(24,683)
Other liabilities	29,478	257,039
Cash flows from operations	348,325	47,961
Income taxes paid	(19,752)	(58,094)
Net cash flows generated from (used in) operating activities	<u>328,573</u>	<u>(10,133)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(33,017)	(19,568)
Addition of investment properties	(26,758)	(46,718)
Receivables, non-current	(6,587)	–
Increase in long-term investments (Note 20)	(2,239)	(3,326)
Proceeds from disposal of long-term investments	29,136	–
Acquisition of associate (Note 17)	(110,085)	–
Dividends from associates and joint ventures	41,433	–
Investments in joint ventures (Note 18)	(16,762)	(490)
Interest income received	4,746	2,891
Net cash flows used in investing activities	<u>(120,133)</u>	<u>(67,211)</u>
Cash flows from financing activities		
Dividends paid to shareholders	(60,662)	(5,307)
Dividends paid to non-controlling interests	(19,648)	(1,618)
Purchase of treasury shares	(7,855)	–
Proceeds from borrowings	840,441	443,945
Repayment of borrowings	(615,007)	(306,739)
Net movement in balance with non-controlling interests	8,676	–
Interest expense paid	(131,924)	(67,973)
Net cash flows generated from financing activities	<u>14,021</u>	<u>62,308</u>
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of the reporting year	222,461	(15,036)
Effects of exchange rate changes on the balance of cash held in foreign currency	343,974	359,920
Cash and cash equivalents, at end of the reporting year (Note 24)	<u>(15,182)</u>	<u>(910)</u>
	<u>551,253</u>	<u>343,974</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

1. General

Oxley Holdings Limited (the "Company") is incorporated in Singapore with limited liability. It is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The financial statements are presented in Singapore Dollars ("\$") and they cover the Company (referred to as "parent") and its subsidiaries (collectively, the "Group") and the Group's interests in joint ventures and associates. All financial information presented in Singapore Dollars have been rounded to the nearest thousand ("'\$000") unless otherwise indicated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activities of the Company are those of investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 40 below.

The registered office and principal place of business of the Company is located at 50 Raffles Place, #11-02 Singapore Land Tower, Singapore 048623.

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Singapore Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the current reporting year that were recognised in other comprehensive income in the current or previous reporting years.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's critical judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C below, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

1. General (cont'd)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Singapore Companies Act, Chapter 50, the Company's separate statement of profit or loss and other comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates.

Revenue from development properties is recognised in accordance with the accounting policy on development properties (see below).

Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Interest income is recognised using the effective interest method.

Dividend income from equity instruments is recognised when the entity's right to receive dividend is established.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Foreign currency transactions

The Company's functional currency is in Singapore Dollars as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as it is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, associates, and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition. After initial recognition, property, plant and equipment other than freehold and leasehold properties are carried at cost less any accumulated depreciation and any accumulated impairment losses.

The gain or loss arising from the derecognition of an item of property, plant and equipment other than freehold and leasehold properties is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Freehold and leasehold properties are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be measured using fair value at the end of the reporting year and the entire class of property, plant and equipment to which that asset belongs is revalued.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve except that the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. When an asset's carrying amount is decreased, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus. The revaluation reserve included in equity is transferred directly to retained earnings when the asset is derecognised.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets, less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Office fixtures and equipment	-	20% to 33%
-------------------------------	---	------------

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the fair value model is used to measure the investment property at fair value as of the end of the reporting year. This is a change of accounting policy as explained in Note 39.

A gain or loss arising from a change in the fair value of investment property is included in profit or loss for the reporting year in which it arises. The fair values are measured periodically on a systematic basis at least once yearly by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

Until construction or development is complete a property is classified as investment property if the units are to be held for investments. It is not classified as investment property if it is acquired exclusively with a view to subsequent disposal in the near future or for development and resale or it is held for future development and subsequent use as owner-occupied property.

Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with FRS 103 Business Combinations. However the entire carrying amount of the investment is tested under FRS 36 for impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in FRS 39 indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investment in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

For the consolidated financial statements, any excess of the investor's share of the net fair value of the associate's identifiable assets, and liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Joint arrangements – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Joint arrangements – joint venture (cont'd)

In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with FRS 28 Investments in Associates and Joint Ventures (as described above for associates).

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets (cont'd)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, if no impairment loss had been recognised.

However, an impairment loss on a revalued asset is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset.

Development properties

Development properties are classified into (a) development properties completed and held for sale; (b) development properties held for sale in the process of development accounted under the completion of construction method; and (c) development properties in the process of development accounted under the stage of completion method.

Development properties completed and held for sale

Revenue is normally recognised when risks and rewards of ownership have been transferred which is usually taken to be when legal title passes to the buyer or when the equitable interest in a property vests in the buyer before legal title passes and provided that the reporting entity has no further substantial acts to complete under the contract. These properties are measured at the lower of cost (specific identification method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Development properties held for sale in the process of development accounted under the completion of construction method

Revenue is recognised and is regarded as earned from the sale of goods within the scope of FRS 18 and is accounted in the similar manner as development properties completed and held for sale. These are with or without an agreement for the construction of real estate in which buyers have only limited ability to influence the design of the real estate. Project costs consist of costs that relate directly to the specific project, costs that are attributable to project activity in general and can be allocated to the project and such other costs as are specifically chargeable to the project. These are measured at the lower of cost (specific identification method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Development properties in the process of development accounted under the stage of completion method

The reporting entity transfers continuously (as construction progresses) to the buyer the control and the significant risks and rewards of ownership of the work in progress in its current state. In this case, revenue is recognised by reference to the stage of completion using the stage of completion method for the construction contract. Development properties in the process of development accounted under the stage of completion method are for standard residential property sales in Singapore that meet the criteria for stage of completion method of accounting.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Development properties (cont'd)

Under the various mechanisms in the Singapore legal framework and the contractual rights, the purchaser obtains control over the uncompleted property unit as construction progresses. These contracts cover the residential and mixed development properties under progressive payment schemes in Singapore.

When the outcome of a construction contract for development properties under the stage of completion method can be estimated reliably, the contract revenue and contract costs associated with the contract are recognised in profit or loss by reference to the stage of completion of the contract activity at the end of the reporting year using the surveys of work performed method. Contract costs consist of costs that relate directly to the specific contract, costs that are attributable to contract activity in general and can be allocated to the contract and such other costs as are specifically chargeable to the customer under the terms of the contract. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed by the customer. The stage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular contract. Recognised revenues and profits are subject to revisions during the contract in the event that the assumptions regarding the overall contract outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The work in progress contracts have operating cycles longer than one year. The management includes in current assets amounts relating to the contracts realisable over a period in excess of one year.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year, there were no financial assets classified in this category.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year, there were no financial assets classified in this category.
4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading revaluation reserves. Such reserves are reclassified to profit or loss when realised through disposal. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss as a reclassification adjustment. A significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through profit or loss. However for debt instruments classified as available-for-sale impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. For non-equity instruments classified as available-for-sale the reversal of impairment is recognised in profit or loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of. Usually non-current investments in equity shares and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity instruments impairment losses are not reversed.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances and on demand deposits. For the consolidated statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Hedging

Entities under the group are exposed to currency and interest rate risks. The policy is to reduce currency and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of the financial assets and liabilities. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in profit or loss. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

Derivatives

All derivatives are initially recognised at cost and subsequently measured at fair value. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in profit or loss and the hedged item follows normal accounting policies.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial liabilities (cont'd)

2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Fair value measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2B. Other explanatory information

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Net realisable value of development properties:

A review is made on development properties held for sale for declines in net realisable value below cost and an allowance is recorded against the carrying amount for any such declines. The review requires management to consider the future demand for the development properties. In any case the net realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. Estimating the net realisable value require management to make an estimate of the expected selling price of the unsold development properties based on recent transactions or open market-based measurements of the unsold units. The related amounts are disclosed in the note on development properties.

For development properties in the process of development accounted under the stage of completion method, the method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular project. Recognised revenues and profits are subject to revisions during the contract in the event that the assumptions regarding the overall contract outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. The related amounts are disclosed in the note on development properties.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Income tax amounts:

The entity recognises tax liabilities and tax assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

The Group has exposure to income taxes in numerous jurisdictions. Significant assumption is required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The carrying amounts of income taxes are disclosed in the statements of financial position.

Deferred tax: recovery of underlying assets:

The deferred tax relating to an asset is dependent on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model or revaluation model for investment property or when fair value is required or permitted by a FRS for a non-financial asset. Management has taken the view that as there is clear evidence that it will consume the relevant asset's economic benefits throughout its economic life. See Note 11.

Classification of properties under hotel segment:

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. See Note 14.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Classification of investment in associate:

The Group holds a 20% equity interest in Galliard (Group) Limited ("Galliard"). Galliard has also issued warrants to an investor and if the warrant holder were to exercise its rights to convert the warrants into new ordinary shares in the capital of Galliard, the Group's equity interest in Galliard would reduce to 18%. Significant influence is presumed to exist (or not exist) when an entity holds 20% or more (or less than 20%) of the voting rights of another entity, unless it can be clearly demonstrated otherwise. Management has exercised significant judgement and determine that the Group continues to have significant influence over Galliard given, among other factors, the Group's participation in policy-making processes and decision-making about dividends and other distributions through its board representation. Based on these factors, management has classified Galliard as an associate in these financial statements.

Fair values of investment properties and property, plant and equipment:

The Group carries its investment properties and property, plant and equipment at fair value with changes in fair value being recognised in the profit or loss and other comprehensive income respectively. In determining the fair values, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, management has exercised its judgement to ensure that the valuation methods and estimates are reflective of current market conditions. The carrying amount and the key assumptions used to determine the fair values are disclosed in Notes 14 and 15.

3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling parties are Ching Chiat Kwong and Low See Ching, directors and controlling shareholders of the Company.

3A. Members of a group

Related companies in these financial statements include the members of the Group. Associates also include those that are associates of members of the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

3. Related party relationships and transactions (cont'd)

3B. Related party transactions

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and financial guarantees if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Group	
	2016 \$'000	2015 \$'000
<u>Related parties</u> ^(a)		
Purchase of goods and services for construction of development properties		
capitalised in development properties	(1,170)	(10,556)
Showroom building costs	(128)	(43)
<u>Non-controlling interests</u>		
Interest income	1,885	2,000
Interest expense capitalised in development properties	(1,368)	(1,992)
Interest expense	(388)	–
<u>Joint ventures</u>		
Interest expense	(828)	(977)
<u>Directors</u>		
Sale of bonds	3,000	–
Sale of medium term notes	–	15,422

^(a) These are companies where a director, Ching Chiat Kwong, is also a shareholder.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

3. Related party relationships and transactions (cont'd)

3C. Key management compensation

	Group	
	2016 \$'000	2015 \$'000
Salaries and other short-term employee benefits	12,022	5,873

The above amounts are included under administrative expenses. Included in the above amounts are the following items:

	Group	
	2016 \$'000	2015 \$'000
Remuneration to directors of the Company	10,563	5,110
Fees to directors of the Company	260	260

Further information about the remuneration of individual directors is provided in the Corporate Governance Report.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

3D. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Joint ventures		Company	
	Group 2016 \$'000	2015 \$'000	Group 2016 \$'000	2015 \$'000
<u>Other receivables (other payables):</u>				
Balance at beginning of the year	40,447	(8,489)	5,278	(33,354)
Amounts paid out and settlement of liabilities on behalf of another party	20,339	51,666	13,709	39,609
Amounts received and settlement of liabilities on behalf of the Company	(3,708)	(1,753)	–	–
Interest expense	(828)	(977)	(828)	(977)
Foreign exchange adjustments	(246)	–	–	–
Balance at end of the year	56,004	40,447	18,159	5,278
<u>Presented in the statements of financial position as follows:</u>				
Other receivables – non-current (Note 19)	32,631	26,044	15,730	26,044
Other receivables – current (Note 22)	28,750	47,957	4,288	12,465
Other payables – current (Note 28)	(5,377)	(33,554)	(1,859)	(33,231)
	56,004	40,447	18,159	5,278

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

3. Related party relationships and transactions (cont'd)

3D. Other receivables from and other payables to related parties (cont'd)

	Associates		Company	
	Group	2016 \$'000	2015 \$'000	2016 \$'000
<u>Other receivables:</u>				
Balance at beginning of the year		–	–	–
Amounts paid out and settlement of liabilities on behalf of another party		10,192	–	9,776
Balance at end of the year (Note 22)		10,192	–	9,776
	Non-controlling interests		Group	
			2016 \$'000	2015 \$'000
<u>Other receivables (other payables):</u>				
Balance at beginning of the year		(21,250)	(63,342)	
Amounts paid out and settlement of liabilities on behalf of another party		10,501	54,151	
Amounts received and settlement of liabilities on behalf of the Group		(19,139)	(12,067)	
Interest expense		(1,756)	(1,992)	
Interest income		1,885	2,000	
Foreign exchange adjustments		(167)	–	
Balance at end of the year		(29,926)	(21,250)	
Presented in the statements of financial position as follows:				
Other receivables – current (Note 22)		57,297	60,661	
Other payables – current (Note 28)		(87,223)	(81,911)	
		(29,926)	(21,250)	
	Subsidiaries		Company	
			2016 \$'000	2015 \$'000
<u>Other receivables (other payables):</u>				
Balance at beginning of the year		911,383	960,922	
Amounts received and settlement of liabilities on behalf of the Company		(303,899)	(49,539)	
Balance at end of the year		607,484	911,383	
Presented in the statements of financial position as follows:				
Other receivables – non-current (Note 19)		582,622	154,407	
Other receivables – current (Note 22)		857,442	989,519	
Other payables – current (Note 28)		(832,580)	(232,543)	
		607,484	911,383	

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported financial performance or financial position of the Company.

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

- Property Development
- Investment Properties
- Hotel
- Corporate

Such a 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 following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4B. Business segments

	Property Development \$'000	Investment Properties \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
<u>2016</u>					
Segment revenue					
Revenue from external parties	971,667	–	–	–	971,667
Rental income	–	9,694	–	–	9,694
Total revenue	<u>971,667</u>	<u>9,694</u>	–	–	<u>981,361</u>
Segment results					
Share of profit from equity-accounted joint ventures and associates	237,001	81,226	–	14,409	332,636
Fair value gains on financial instruments	–	–	–	79,729	79,729
Interest income	14	–	–	794	808
Finance costs	2,634	11	–	2,101	4,746
Profit before income tax	(12,745)	(3,553)	–	(38,215)	(54,513)
Income tax expense	226,904	77,684	–	58,818	363,406
Profit, net of tax	(40,379)	(25,596)	–	(2,036)	(68,011)
	<u>186,525</u>	<u>52,088</u>	–	<u>56,782</u>	<u>295,395</u>
Other significant items					
Depreciation expenses	(231)	–	–	(268)	(499)
Gains on fair value changes in investment properties	–	76,436	–	–	76,436
Impairment on development properties	(12,938)	–	–	–	(12,938)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

4. Financial information by operating segments (cont'd)

4B. Business segments (cont'd)

	Property Development \$'000	Investment Properties \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
<u>2015 (Restated)</u>					
Segment revenue					
Revenue from external parties	700,804	–	–	412	701,216
Rental income	–	584	–	–	584
Total revenue	700,804	584	–	412	701,800
Segment results					
Share of profit from equity-accounted joint ventures	155,474	37,161	–	945	193,580
Fair value losses on financial instruments	–	–	–	20,434	20,434
Interest income	2,650	–	–	241	2,891
Finance costs	(9,696)	–	–	(31,343)	(41,039)
Profit (loss) before income tax	148,428	37,161	–	(13,056)	172,533
Income tax expense	(32,637)	(4,805)	–	(2,401)	(39,843)
Profit (loss), net of tax	115,791	32,356	–	(15,457)	132,690
<u>Other significant items</u>					
Depreciation expenses	–	–	–	(433)	(433)
Gains on fair value changes in investment properties	–	29,223	–	–	29,223
Impairment on development properties	(4,839)	–	–	–	(4,839)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

4. Financial information by operating segments (cont'd)

4C. Assets and reconciliations

	Property Development \$'000	Investment Properties \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
2016					
Segment assets	3,168,064	421,113	641,233	297,630	4,528,040
Investments in joint ventures and associates	–	–	–	202,216	202,216
Available-for-sale financial assets	–	–	–	2,239	2,239
Total assets	<u>3,168,064</u>	<u>421,113</u>	<u>641,233</u>	<u>502,085</u>	<u>4,732,495</u>
2015 (Restated)					
Segment assets	2,671,286	319,544	596,772	515,622	4,103,224
Investments in joint ventures	–	–	–	37,138	37,138
Available-for-sale financial assets	–	–	–	3,326	3,326
Total assets	<u>2,671,286</u>	<u>319,544</u>	<u>596,772</u>	<u>556,086</u>	<u>4,143,688</u>

4D. Liabilities and reconciliations

	Property Development \$'000	Investment Properties \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
2016					
Segment liabilities	<u>1,934,652</u>	<u>24,125</u>	<u>512,594</u>	<u>1,295,904</u>	<u>3,767,275</u>
2015 (Restated)					
Segment liabilities	<u>1,625,552</u>	<u>235,183</u>	<u>439,390</u>	<u>1,053,206</u>	<u>3,353,331</u>

4E. Other material items and reconciliations

	Property Development \$'000	Investment Properties \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
<u>Additions to property, plant and equipment:</u>					
2016	45	2	43,566	3,634	47,247
2015 (Restated)	–	–	25,255	2,499	27,754
<u>Additions to investment properties:</u>					
2016	–	28,831	–	–	28,831
2015 (Restated)	–	51,054	–	–	51,054

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

4. Financial information by operating segments (cont'd)

4F. Geographical information

The Group operates in numerous geographical areas and the main areas of operations undertaken by the group are as follows:

- Singapore – property development, investment properties and corporate
- United Kingdom – property development and corporate
- Cambodia – property development
- Malaysia – property development
- Japan – investments

Revenue and the non-current assets are attributed to countries by the geographical area in which the assets are located.

	Singapore \$'000	United Kingdom \$'000	Cambodia \$'000	Malaysia \$'000	Japan \$'000	Others \$'000	Group \$'000
2016							
Revenue	981,361	–	–	–	–	–	981,361
Non-current assets	1,120,909	10,538	317	3,936	–	10	1,135,710
Investments in associates	154,822	–	–	–	–	4,607	159,429
Investments in joint ventures	22,661	–	–	16,832	–	3,294	42,787
Available-for-sale financial assets	–	–	–	–	2,239	–	2,239
Total non-current assets	1,298,392	10,538	317	20,768	2,239	7,911	1,340,165
2015 (Restated)							
Revenue	701,800	–	–	–	–	–	701,800
Non-current assets	970,029	–	456	223	–	19	970,727
Investments in joint ventures	33,564	–	–	3,574	–	–	37,138
Available-for-sale financial assets	–	–	–	–	3,326	–	3,326
Total non-current assets	1,003,593	–	456	3,797	3,326	19	1,011,191

4G. Information about major customers

There are no single external customers that had contributed more than 10% to the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

5. Revenue

	Group	
	2016 \$'000	2015 \$'000
Revenue from sale of development properties (recognised on completion of construction method)	256,967	122,080
Revenue from sale of development properties (recognised on stage of completion method)	714,700	578,724
Rental income	9,694	584
Management fee income	—	412
Total revenue	981,361	701,800

6. Other income

	Group	
	2016 \$'000	2015 \$'000
Rental income	1,043	2,036
Other income	755	2,395
Total other income	1,798	4,431

7. Other gains and (other losses)

	Group	
	2016 \$'000	2015 \$'000 (Restated)
Customer deposits forfeited	3,292	39
Foreign exchange adjustments losses, net	(13,423)	(9,000)
Fair value gains (losses) on financial instruments	808	(3,333)
Gains on disposal of long-term investments	25,619	—
Write off of property, plant and equipment	(1)	—
Gains on fair value changes in investment properties	76,436	29,223
Impairment loss on development properties	(12,938)	(4,839)
Other gains	408	—
Other losses	(77)	—
Net	80,124	12,090
Presented in profit or loss as:		
Other gains	106,563	29,262
Other losses	(26,439)	(17,172)
	80,124	12,090

8. Employee benefits expense

	Group	
	2016 \$'000	2015 \$'000
Short term employee benefits expense	13,226	8,370
Contribution to defined contribution plan	510	178
	13,736	8,548

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

9. Administrative expenses

Included in the administrative expenses are the following:

	Group 2016 \$'000	2015 \$'000
Employee benefits expense (Note 8)	13,736	8,548
Professional fees	2,701	2,684

10. Finance costs

	Group 2016 \$'000	2015 \$'000 (Restated)
Total interest expense	124,006	81,556
Less:		
– Amount capitalised in property, plant and equipment (Note 14)	(14,230)	(8,186)
– Amount capitalised in investment properties (Note 15)	(2,073)	(4,336)
– Amount capitalised as cost of development properties (Note 21)	(61,106)	(31,426)
Interest expense	46,597	37,608
Amortisation of transaction costs relating to borrowings	7,916	3,431
Total finance costs	54,513	41,039

11. Income tax

11A. Components of tax expense (income) recognised in profit or loss

	Group 2016 \$'000	2015 \$'000 (Restated)
<u>Current tax expense</u>		
Current tax expense	31,939	20,263
Under adjustments in respect of prior years	1,365	1,101
Subtotal	33,304	21,364
<u>Deferred tax expense (income)</u>		
Deferred tax expense	34,568	18,926
Under (over) adjustments in respect of prior years	139	(447)
Subtotal	34,707	18,479
Total income tax expense	68,011	39,843

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

11. Income tax (cont'd)

11A. Components of tax expense (income) recognised in profit or loss (cont'd)

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2015: 17%) to profit before income tax as a result of the following differences:

	Group	2016 \$'000	2015 \$'000
		(Restated)	
Profit before income tax		363,406	172,533
Less: Share of profit from equity-accounted associates and joint ventures		(79,729)	(20,434)
		<u>283,677</u>	<u>152,099</u>
Income tax expense at the above rate		48,225	25,857
Effect of different tax rates in different countries		10,754	2,174
Not deductible items		6,876	12,922
Exemptions		(455)	(1,764)
Under adjustments to tax in respect of prior years		1,504	654
Deferred tax assets not recognised		466	–
Other item less than 3% each		641	–
Total income tax expense		<u>68,011</u>	<u>39,843</u>

There are no income tax consequences of dividends to owners of the Company.

11B. Deferred tax expense recognised in profit or loss

	Group	2016 \$'000	2015 \$'000
		(Restated)	
Tax loss carryforwards		(211)	(6,663)
Profits relating to development properties recognised based on stage of completion method		12,793	20,174
Fair value gains on investment properties		24,159	4,968
Others		(2,034)	–
Total deferred tax expense recognised in profit or loss		<u>34,707</u>	<u>18,479</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

11. Income tax (cont'd)

11C. Tax expense (income) recognised in other comprehensive income

	Group	
	2016 \$'000	2015 \$'000 (Restated)
<u>Deferred tax</u>		
Fair value gains (losses) on property, plant and equipment	90	(8,888)

11D. Deferred tax balance in the statements of financial position

	30.6.2016 \$'000	Group	30.6.2015 \$'000	1.7.2014 \$'000 (Restated)
Tax loss carryforwards	7,812		7,601	1,440
Profits on development properties recognised based on stage of completion method	(60,212)		(47,419)	(27,245)
Fair value gains on investment properties	(32,418)		(8,259)	(3,794)
Fair value gains on property, plant and equipment	(34,459)		(34,369)	(43,257)
Others	2,034		–	–
Net balance	(117,243)		(82,446)	(72,856)
Presented in the statements of financial position as follows:				
Deferred tax assets	9,241		3,695	2,604
Deferred tax liabilities	(126,484)		(86,141)	(75,460)
	(117,243)		(82,446)	(72,856)

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

Deferred tax is recognised on profits relating to development properties is recognised based on stage of completion method. Profits recognised on such qualifying development properties in Singapore are taxed upon completion of the projects.

11E. Unrecognised deferred tax assets

	Tax losses		Unrecognised deferred tax assets	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Unused tax losses available	6,324	11,889	1,075	2,021
Accruals	8,304	–	1,412	–
	14,628	11,889	2,487	2,021

No deferred tax asset for the tax losses (including deductible temporary differences, unused tax losses and unused tax credit) has been recognised in respect of the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

12. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2016 \$'000	2015 \$'000 (Restated)
Numerators:		
Net profit attributable to owners	206,003	78,749
	'000	'000

Denominators:

Weighted average number of equity shares	2,942,207	2,948,220
--	-----------	-----------

Basic and diluted earnings per share ("EPS") are calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of equity shares. It is after the neutralisation by the treasury shares.

The weighted average number of equity shares refers to shares in circulation during the reporting year.

There were no dilutive ordinary share equivalents outstanding at the end of each reporting year.

Impact on EPS from the changes in accounting policy:

There are certain changes in accounting policies as disclosed in Note 39 that have an impact on the amounts reported for earnings per share. The impacts are as follows:

	Impact on basic earnings per share		Impact on diluted earnings per share	
	2016 Cents	2015 Cents	2016 Cents	2015 Cents
Total impact of changes in accounting policies	0.17	0.60	0.17	0.60

13. Dividends on equity shares

Dividends to owners of the Company	Rate per share			
	2016 cents	2015 cents	2016 \$'000	2015 \$'000
Final tax exempt (1-tier) dividend paid in respect of previous reporting year	0.41	0.18	12,088	5,307
Interim exempt (1-tier) dividend paid	1.65	—	48,574	—
	2.06	0.18	60,662	5,307

In respect of the current reporting year, the directors propose that a final dividend of 0.25 cent per share be paid to shareholders after the annual general meeting. There are no income tax consequences. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable. There are no income tax consequences of the dividends to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

13. Dividends on equity shares (cont'd)

Dividends to the non-controlling interests

Interim exempt (1-tier) dividends totalled \$19,648,000 (2015: \$1,618,000) were paid by certain subsidiaries to their non-controlling interests.

14. Property, plant and equipment

Group	Plant fixtures and equipment \$'000	Assets under construction \$'000	Total \$'000
<u>Cost or valuation:</u>			
At 1 July 2014 (Restated)	1,704	663,673	665,377
Additions	265	27,489	27,754
Written off	(46)	–	(46)
Revaluation decrease	–	(49,873)	(49,873)
Foreign exchange adjustments	23	–	23
At 30 June 2015 (Restated)	1,946	641,289	643,235
Additions	206	47,041	47,247
Written off	(2)	–	(2)
Revaluation increase	–	844	844
Foreign exchange adjustments	(17)	–	(17)
At 30 June 2016	2,133	689,174	691,307
Represented by:			
Cost	2,133	–	2,133
Valuation	–	689,174	689,174
Total	2,133	689,174	691,307
<u>Accumulated depreciation:</u>			
At 1 July 2014	324	–	324
Depreciation for the year	433	–	433
Written off	(27)	–	(27)
Foreign exchange adjustments	4	–	4
At 30 June 2015	734	–	734
Depreciation for the year	499	–	499
Written off	(1)	–	(1)
Foreign exchange adjustments	(9)	–	(9)
At 30 June 2016	1,223	–	1,223
<u>Carrying value:</u>			
At 1 July 2014 (Restated)	1,380	663,673	665,053
At 30 June 2015 (Restated)	1,212	641,289	642,501
At 30 June 2016	910	689,174	690,084

Also see Note 39.

Assets under construction relate to freehold office units and leasehold hotels that were under construction at the end of the reporting year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

14. Property, plant and equipment (cont'd)

Company	Plant fixtures and equipment \$'000
<u>Cost:</u>	
At 1 July 2014	261
Additions	203
Written off	(43)
At 30 June 2015	421
Additions	153
At 30 June 2016	574
<u>Accumulated depreciation:</u>	
At 1 July 2014	202
Depreciation for the year	66
Written off	(26)
At 30 June 2015	242
Depreciation for the year	120
At 30 June 2016	362
<u>Carrying value:</u>	
At 1 July 2014	59
At 30 June 2015	179
At 30 June 2016	212

The depreciation expense is charged to administrative expenses.

For each revalued class of property, plant and equipment, the carrying value that would have been recognised had the assets been carried under the cost model is as follows:

	2016 \$'000	2015 \$'000 (Restated)
Freehold office units:		
Cost	32,695	29,219
Leasehold hotels:		
Cost	467,999	426,148

Borrowing costs included in the cost of qualifying assets are as follows:

	2016	2015
	2.24% to 3.60%	1.75% to 5.35%
	\$'000	\$'000
Capitalisation rates per annum		
Borrowing costs:		
– Capitalised and included in additions during the year	14,230	8,186
– Capitalised (accumulated) and included in carrying value as at the end of the reporting year	29,257	15,027

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

14. Property, plant and equipment (cont'd)

Details of the properties are as follows:

Description	Location	Tenure of building	Percentage of interest	Expected completion date ^(a)
Hotels	Singapore	103 years from 18 July 2013	100%	2017
Office units	Singapore	Freehold	100%	2016

The fair value of the freehold and leasehold properties were measured in June 2016 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair values were based on valuations made by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, a firm of independent professional valuers, based on recent market prices of assets with similar used condition and configured for use. The non-recurring fair value measurement is categorised within the fair value hierarchy at Level 3. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

^(a) The expected completion date refers to the calendar year.

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

	Hotels	Office units
Asset:	Novotel Singapore on Stevens / Ibis Singapore on Stevens Road	12 strata office units at Oxley Tower, 138 Robinson Road
Fair value:	\$641,232,000 (30.6.2015: \$596,772,000 and 1.7.2014: \$621,290,000)	\$47,942,000 (30.6.2015: \$44,517,000 and 1.7.2014: \$42,383,000)
Fair value hierarchy level:	Level 3	Level 3
Valuation technique for recurring fair value measurements:	Direct comparison method / residual method (Fair value less construction costs to complete)	Direct comparison method / residual method (Fair value less construction costs to complete)
Significant observable inputs and range (weighted average):	Price per square meter: \$24,912 (30.6.2015: \$23,185 and 1.7.2014: \$24,137)	Price per square meter: \$29,287 (30.6.2015: \$27,195 and 1.7.2014: \$25,891)
Sensitivity on management's estimates – 10% variation from estimate:	Impact – lower by \$64,123,000; higher by \$64,123,000	Impact – lower by \$4,794,000; higher by \$4,794,000

The surplus net of applicable deferred income tax on revaluation has been credited to asset revaluation reserve in equity (See Note 26B).

As the end of the reporting year, assets under construction are mortgaged or pledged as securities for bank facilities (See Note 27).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

15. Investment properties

	30.6.2016 \$'000	Group 30.6.2015 \$'000 (Restated)
<u>At fair value:</u>		
Balance at beginning of the year	298,487	213,596
Additions	28,831	51,054
Transfer from development properties	–	4,614
Increase in fair value included in profit or loss		
under other gains (Note 7)	76,436	29,223
Balance at end of the year	<u>403,754</u>	<u>298,487</u>
Rental income from investment properties	9,694	584
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the year	<u>1,725</u>	<u>17</u>

Also see Note 39.

Borrowing costs included in the cost of qualifying assets are as follows:

	2016	2015
	\$'000	\$'000
Capitalisation rates per annum	<u>1.86% – 3.00%</u>	<u>1.75% – 5.35%</u>
<u>Borrowing costs:</u>		
– Capitalised and included in additions during the year	2,073	4,336
– Capitalised (accumulated) and included in carrying value as at the end of reporting year	<u>8,883</u>	<u>6,810</u>

Details of the investment properties are as follows:

Location	Description/ Tenure of building	Gross Floor Area (sqm)	Interest held by the Group	Percentage of completion	Expected completion ^(a)
Singapore: Space@Tampines	Industrial building: 30 years leasehold from 10 December 2012	65,893	70%	Completed	–
Oxley Bizhub	Industrial units: 60 years leasehold from 15 November 2010	1,428	100%	Completed	–
Investment properties under construction					
Singapore: 30 Stevens Road	Commercial units: 103 years leasehold from 18 July 2013	3,799	100%	21%	2017
Ireland: Dublin Landings	Commercial and residential: 300 years leasehold from 23 December 2014	64,678	100%	7%	2019

^(a) The expected completion date refers to the calendar year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

15. Investment properties (cont'd)

Certain investment properties are pledged as security for the bank facilities (see Note 27).

There are no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal.

The investment properties are leased out under operating leases. Also see Note 33 on operating lease income commitments. The management has not entered into contractual obligations for the maintenance or enhancement of the investment properties.

The fair value of each investment property was measured in June and August 2016 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair values were based on valuations made by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, PREMAS Valuers & Property Consultants Pte Ltd and CBRE Ireland, firms of independent professional valuers on a systematic basis at least once yearly. The firms hold recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the reporting year. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

For fair value measurements categorised within the fair value hierarchy below, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	Space@Tampines
Fair value:	\$200,000,000 (30.6.2015: \$200,000,000 and 1.7.2014: \$120,057,000) Level 3 (30.6.2015: Level 3 and 1.7.2014: Level 3) Comparison with market evidence of recent transaction prices for similar properties. Price per square meter \$3,035 (30.6.2015: \$3,535 and 1.7.2014: \$1,822) Impact – lower by \$20,000,000; higher by \$20,000,000.
Fair value hierarchy:	
Valuation technique for recurring fair value measurements:	
Significant observable inputs and range (weighted average):	
Sensitivity on management's estimates – 10% variation from estimate:	
Asset:	2 industrial units at Oxley Bizhub
Fair value:	\$8,400,000 (30.6.2015: \$8,600,000 and 1.7.2014: Nil) Level 3 (30.6.2015: Level 3 and 1.7.2014: Nil) Comparison with market evidence of recent transaction prices for similar properties. Price per square meter \$5,882. (30.6.2015: \$6,019 to \$6,028 and 1.7.2014: Nil) Impact – lower by \$840,000; higher by \$840,000.
Fair value hierarchy:	
Valuation technique for recurring fair value measurements:	
Significant observable inputs and range (weighted average):	
Sensitivity on management's estimates – 10% variation from estimate:	
Asset:	Commercial units at 30 Stevens Road
Fair value:	\$95,344,000 (30.6.2015: \$89,887,000 and 1.7.2014: \$93,539,000) Level 3 (30.6.2015: Level 3 and 1.7.2014: Level 3) Direct comparison method / residual method (Fair value less construction costs to complete). Price per square meter \$25,097. (30.6.2015: \$23,661 and 1.7.2014: \$24,622) Impact – lower by \$9,534,000; higher by \$9,534,000.
Fair value hierarchy:	
Valuation technique for recurring fair value measurements:	
Significant observable inputs and range (weighted average):	
Sensitivity on management's estimates – 10% variation from estimate:	

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

15. Investment properties (cont'd)

Asset:	Dublin Landings
Fair value:	\$100,010,000 (30.6.2015: Nil and 1.7.2014: Nil)
Fair value hierarchy:	Level 3 (30.6.2015: Nil and 1.7.2014: Nil)
Valuation technique for recurring fair value measurements:	Direct comparison method / residual method (Fair value less construction costs to complete).
Significant observable inputs and range (weighted average):	Price per square meter \$2,134 (30.6.2015: Nil and 1.7.2014: Nil)
Sensitivity on management's estimates – 10% variation from estimate:	Impact – lower by \$10,001,000; higher by \$10,001,000.

16. Investments in subsidiaries

	Company	
	2016 \$'000	2015 \$'000
Unquoted equity shares at cost	32,035	25,035
Movements in cost:		
At beginning of the year	25,035	25,035
Additions	7,000	–
At end of the year	32,035	25,035

The listing of and information on the subsidiaries are disclosed in Note 40.

17. Investments in associates

	Group	Company	
	2016 \$'000	2015 \$'000	2016 \$'000
Unquoted equity shares at cost	110,574	–	490
Share of post-acquisition profits, net of dividends received	48,855	–	–
	159,429	–	490
Movements in carrying value:			
Balance at beginning of the year	–	–	–
Additions (Note 34)	110,085	–	–
Transfer (Note 18)	490	–	490
Share of profit for the year	49,537	–	–
Dividend income	(683)	–	–
Balance at end of the year	159,429	–	490

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

17. Investments in associates (cont'd)

The listing of and information on the associates is given below:

Name of associates, country of incorporation, place of operations, principal activities and independent auditors	Equity held by the Group	
	2016 %	2015 %
<u>Held by the Company</u>		
Goldprime Land Pte. Ltd. (a) (b) (c) Singapore Property development Ernst & Young LLP	49	—
<u>Held through Oxley Bright Pte. Ltd.</u>		
Galliard (Group) Limited (a) (b) United Kingdom Property development BDO LLP (Acquired on 24 July 2015)	20	—
<u>Held through Oxley China Pte. Ltd.</u>		
Mglory Pte. Ltd. (a) (b) (d) Singapore Investment holding and property development Enterprise Assurance PAC	19.85	19.85
(a) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.		
(b) The management financial statements at 30 June of the associates have been used for equity accounting purposes.		
(c) Also see Note 18.		
(d) Management has exercised judgement and determine that the Group have significant influence over this investee given, among other factors, the Group's participation in policy-making processes and decision-making about dividends and other distributions through its board representation. Based on these factors, management has classified Mglory Pte Ltd as an associate in these financial statements.		

The Audit Committee and the Board of Directors of the Company have satisfied themselves that the appointment of different auditing firms for the above associates would not compromise the standard and effectiveness of the audit of the Group.

17A. Non-material associates

There are associates that are considered not material individually to the Group. The summarised financial information of all the associates and the aggregate amounts (and not the Group's share of those amounts) based on the financial statements of the associates and adjusted to reflect adjustments made by the Group when using the equity method as follows:-

	Group	
	2016 \$'000	2015 \$'000
Revenue	869,753	—
Profit for the reporting year	191,637	—
Total comprehensive income	191,637	—
Net assets of the associates	360,885	—

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

18. Investments in joint ventures

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Unquoted equity shares at cost	53,925	37,580	23,074	33,564
Share of post-acquisition profits, net of dividends received	(11,138)	(442)	—	—
	<u>42,787</u>	<u>37,138</u>	<u>23,074</u>	<u>33,564</u>
Movements in carrying value:				
Balance at beginning of the year	37,138	17,029	33,564	33,074
Additions ^{(1) (2)}	16,762	490	—	490
Share of the profit for the year	30,192	20,434	—	—
Dividends	(40,750)	—	—	—
Transfer ^{(3) (4)}	(490)	(498)	(490)	—
Allowance for impairment	—	—	(10,000)	—
Foreign exchange adjustments	(65)	(317)	—	—
Balance at end of the year	<u>42,787</u>	<u>37,138</u>	<u>23,074</u>	<u>33,564</u>

- ⁽¹⁾ In June 2016, the Group completed its acquisition of 50% equity interest in Peninsular Teamwork Sdn. Bhd., a Malaysia based property developer at a consideration of \$13,500,000. The fair values of identifiable assets acquired and liabilities assumed from the acquisition are recorded on a provisional basis and are subject to changes upon completion of the purchase price allocation exercise as required under FRS 103 Business Combinations. The purchase price allocation exercise is expected to complete not later than 12 months from the date of acquisition.
- ⁽²⁾ The remaining additions consist of joint ventures newly incorporated during the reporting year.
- ⁽³⁾ In the reporting year 2015, the Company's wholly-owned subsidiary, Oxley International Holdings Pte. Ltd., acquired the remaining shares of Oxley Myanmar Pte. Ltd. Consequently, Oxley Myanmar Pte. Ltd. became a wholly-owned subsidiary of the Group.
- ⁽⁴⁾ During the reporting year 2016, the management reassessed the investment in Goldprime Land Pte. Ltd., a 49% owned entity, as an associate due to the subsequent amendment in the joint venture agreement with the remaining 51% equity shareholder. Goldprime Land Pte. Ltd. is not material to the Group. See Note 17.

	Company	
	2016 \$'000	2015 \$'000
Movement in above allowance for impairment:		
Balance at beginning of the year	—	—
Impairment loss charge to profit or loss included in other losses	<u>10,000</u>	—
Balance at end of the year	<u>10,000</u>	—

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

18. Investments in joint ventures (cont'd)

The joint ventures held by the Company and the Group are listed below:

Name of joint ventures, country of incorporation, place of operations, principal activities and independent auditor	Equity held by the Group	
	2016 %	2015 %
<u>Held by the Company</u>		
Oxley-Lian Beng Pte. Ltd. Singapore Property development RSM Chio Lim LLP	50	50
Oxley-Lian Beng Venture Pte. Ltd. ^(c) Singapore Investment holding (Incorporated on 8 December 2015)	50	—
Metro Global Solutions Pte. Ltd. ^(c) Singapore Asset management and consultancy services (Incorporated on 20 April 2016)	50	—
<u>Held through Oxley Emerald Sdn. Bhd.</u>		
Posh Properties Sdn. Bhd. ^(b) Malaysia Property development Yeo & Associates	50	50
<u>Held through Oxley Ruby Sdn. Bhd.</u>		
Peninsular Teamwork Sdn. Bhd. ^(b) Malaysia Property development (Acquired on 13 June 2016) H. L. Lee & Co.	50	50
<u>Held through Oxley Batam Pte. Ltd.</u>		
PT Oxley Karya Indo Batam ^(c) Indonesia Property development (Incorporated on 9 May 2016)	50	—

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

18. Investments in joint ventures (cont'd)

The joint ventures held by the Company and the Group are listed below:

Name of joint ventures, country of incorporation, place of operations, principal activities and independent auditor	Equity held by the Group	
	2016 %	2015 %
<u>Held through Oxley China Pte. Ltd.</u> KAP Holdings (China) Pte Ltd ^(a) ^(b) Singapore Investment holding Deloitte & Touche LLP	55	50
<u>Held through Oxley Holdings (Cambodia) Co., Ltd.</u> Oxley Diamond (Cambodia) Co., Ltd. ^(b) Cambodia Property development Deloitte (Cambodia) Co., Ltd.	50	50

- (a) KAP Holdings (China) Pte Ltd is jointly controlled by its shareholders as a result of a joint venture agreement dated 6 December 2013 and supplemental with further agreements dated 6 June 2014 and 6 August 2014, involving sharing of control over strategic, financial and operating decisions related to KAP Holdings (China) Pte Ltd. On 16 March 2016, the Group acquired additional 5% equity shares, however, there is no amendment to the agreements made prior to this, there is no change in the position of the Group on the investment in investee company.
- (b) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.
- (c) Newly incorporated and no auditor has been appointed at the date of the report.

The Group has not recognised its share of losses exceeding the amount of the investment in Oxley Diamond (Cambodia) Co., Ltd. amounting to \$6,995,000 (2015: \$2,196,000). The Group has not incurred legal or constructive obligations on behalf of this joint venture.

18A. Aggregate for all non-material joint ventures

There are joint ventures that are considered individually not material to the reporting entity. The summarised financial information of all the non-material joint ventures and the aggregate amounts (and not the reporting entity's share of those amounts) based on the financial statements of the joint ventures are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	Group	
	2016 \$'000	2015 \$'000
Revenue	193,073	-
Profit (loss) for the reporting year	52,519	(2,311)
Total comprehensive income (loss)	52,519	(2,311)
Net assets of the joint ventures	60,707	295

There are no significant restrictions on the ability of the joint ventures to transfer funds to the reporting entity in the form of cash dividends.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

19. Other receivables, non-current

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Loans receivable from:				
– A joint venture (Note 3)	32,631	26,044	15,730	26,044
– Subsidiaries (Note 3)	–	–	582,622	154,407
	<u>32,631</u>	<u>26,044</u>	<u>598,352</u>	<u>180,451</u>

The above loans are quasi-equity loans with no fixed repayment terms, non-interest bearing, unsecured and not expected to be settled in the foreseeable future.

20. Available-for-sale financial assets

	Group	
	2016 \$'000	2015 \$'000
Unquoted investments, at cost	<u>2,239</u>	<u>3,326</u>
Movements during the year:		
Balance at beginning of the year	3,326	–
Additions	2,239	3,326
Disposal	(3,326)	–
Balance at end of the year	<u>2,239</u>	<u>3,326</u>

The above relates to the Group's 100% interests in certain structured entities in Japan. These are unconsolidated structured entities and hence accounted in accordance with FRS 39. The fair value of the above unquoted investments as available-for-sale financial assets is deemed to be not reliably measurable as the probabilities of the various estimates within the range cannot be reasonably assessed as used in estimating fair values. Consequently the investment is carried at cost less allowance for impairment. Management has not identified a market for these unquoted investments and it has not made a decision on how and when it intends to dispose of them in the foreseeable future.

21. Development properties

	30.6.2016 \$'000	Group 30.6.2015 \$'000 (Restated)	1.7.2014 \$'000 (Restated)
Development properties held for sale	646	6,058	1,305
Development properties under construction			
– Accounted under the completion of construction method	1,435,617	1,259,314	1,132,264
– Accounted under the stage of completion method (Note 21A)	761,135	959,275	965,733
	<u>2,197,298</u>	<u>2,224,647</u>	<u>2,099,302</u>
– Properties for mixed developments ^(a)	263,257	254,233	44,003
	<u>2,460,655</u>	<u>2,478,880</u>	<u>2,143,305</u>

^(a) Properties for mixed developments consist mainly land designated by management for developments into residential units, hotels, service residences and retail shops.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

21. Development properties (cont'd)

Development properties are stated after allowance for foreseeable losses as follows:-

	Group	
	2016 \$	2015 \$
Balance at beginning of the year	4,839	-
Charge to profit or loss included in other losses (Note 7)	12,938	4,839
Balance at end of the year	17,777	4,839

21A. Development properties in the process of development accounted under the stage of completion method

	30.6.2016 \$'000	Group 30.6.2015 \$'000 (Restated)	1.7.2014 \$'000 (Restated)
Aggregate amount of costs incurred and recognised profits (losses) to date on uncompleted contracts	1,492,620	1,631,312	1,624,157
Less: Progress payments received and receivable and advances to date	(713,708)	(667,198)	(658,424)
Less: Allowance for foreseeable losses	(17,777)	(4,839)	-
Net amount arising from development properties at end of the year	761,135	959,275	965,733

Development properties in the process of development accounted under the stage of completion method are for standard residential and mixed-use property sales in Singapore that meet the criteria for stage of completion method of accounting. Under the various mechanisms in the Singapore legal framework and the contractual rights, the purchaser obtains control over the uncompleted property unit as construction progresses.

These contracts cover the residential and mixed development properties under progressive payment schemes in Singapore.

Borrowing costs included in the cost of qualifying assets are as follows:

	2016	2015
	\$'000	\$'000
Capitalisation rates per annum	2.20% – 6.00%	1.77% – 7.85%
Borrowing costs capitalised and included in additions during the year (Note 10)	61,106	31,426

Certain development properties are mortgaged to banks as securities for the bank facilities (Note 27).

The listing of and details of the development properties are disclosed in Note 41.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

22. Trade and other receivables

	Group			Company	
	30.6.2016 \$'000	30.6.2015 \$'000 (Restated)	1.7.2014 \$'000 (Restated)	2016 \$'000	2015 \$'000
Trade receivables:					
Outside parties	207,506	83,527	181,702	23,260	30
Accrued receivables ^(a)	48,577	44,904	7,372	—	—
Net trade receivables – subtotal	256,083	128,431	189,074	23,260	30
Other receivables:					
Subsidiaries (Note 3)	—	—	—	857,442	989,519
Joint ventures (Note 3)	28,750	47,957	25,602	4,288	12,465
Associates (Note 3)	10,192	—	—	9,776	—
Non-controlling interests (Note 3)	57,297	60,661	50,888	—	—
Other investee	6,574	49,317	—	5,717	12,659
Net other receivables – subtotal	102,813	157,935	76,490	877,223	1,014,643
Total trade and other receivables	358,896	286,366	265,564	900,483	1,014,673

Other receivables with interest bearing balances are as follows:

	Group			Company	
	30.6.2016 \$'000	30.6.2015 \$'000 (Restated)	2016 \$'000	2015 \$'000	
Fixed interest rate of 3% - 6%					
<u>(2015: 3%) per annum</u>	—	—	—	—	—
Non-controlling interests	—	833	—	—	—
Subsidiaries	—	—	245,335	58,444	—
Floating interest rate of 5.35%					
<u>(2015: 5.35%) per annum</u>	—	—	—	—	—
Non-controlling interests	33,358	37,138	—	—	—
Subsidiaries	—	—	473,559	480,295	—
Other investee	5,362	49,317	4,550	12,659	—

^(a) Accrued receivables represent mainly the remaining balances of sales consideration for development properties to be billed. In accordance with the Group's accounting policy, income is recognised on the sale of development properties based on accounting policy set out in Note 2. Upon receipt of the Temporary Occupation Permit, the balance of sales consideration to be billed is presented as accrued receivables.

23. Other assets

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Deposits and stamp duties paid for purchases of land	10,516	10,007	—	—
Deposits to secure services	4,933	11,425	150	149
Prepayments	6,077	1,845	—	—
	21,526	23,277	150	149

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

24. Cash and cash equivalents

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Not restricted in use	311,436	134,325	86,846	2,861
Project Accounts ^(a)	239,817	209,649	—	—
Cash at end of the year	551,253	343,974	86,846	2,861

The interest earning balances are not significant.

^(a) This relates to monies received from buyers of which they can be utilised only for designated types of payments that relate to the property development projects.

25. Share capital

	Number of shares issued '000	Share capital \$'000	Treasury shares \$'000	Total \$'000
<u>Group and Company</u>				
Ordinary shares of no par value:				
Balance at beginning and end of the year				
ended 30 June 2015	2,948,220	163,880	—	163,880
Treasury shares purchased	(18,739)	—	(7,855)	(7,855)
Balance at end of the year 30 June 2016	2,929,481	163,880	(7,855)	156,025

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Certain subsidiaries have loan facilities that require the respective subsidiary to have certain minimum share capital before the loans were granted to the respective subsidiaries.

Treasury shares relate to ordinary shares of the company that is held by the Company. The Company acquired 18,739,000 shares in the Company by way of open market purchase at a total consideration of \$7,855,000 during the reporting year 2016. The fair value of the treasury shares as at the end of the reporting year 2016 was \$7,777,000.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

25. Share capital (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net debt:				
All current and non-current borrowings	2,633,427	2,406,038	501,472	645,767
Less: Cash and cash equivalents	(551,253)	(343,974)	(86,846)	(2,861)
Net debt	<u>2,082,174</u>	<u>2,062,064</u>	<u>414,626</u>	<u>642,906</u>
Adjusted capital:				
Total equity	965,220	790,357	275,682	313,091
Debt-to-adjusted capital ratio	216%	261%	150%	205%

The improvement as shown by the decrease in the debt-to-adjusted capital ratio of the Group for the reporting year resulted primarily from the improved retained earnings. There are significant external borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk of borrowings.

26. Other reserves

	Group		
	30.6.2016 \$'000	30.6.2015 \$'000	1.7.2014 \$'000 (Restated)
Foreign currency translation reserve (Note 26A)	(28,523)	4,618	88
Asset revaluation reserve (Notes 26B and 39)	154,202	153,448	194,433
	<u>125,679</u>	<u>158,066</u>	<u>194,521</u>

The other reserves are not available for cash dividends unless realised.

26A. Foreign currency translation reserve

	Group	
	30.6.2016 \$'000	30.6.2015 \$'000 (Restated)
At beginning of the year	4,618	88
Exchange differences on translating foreign operations	(33,141)	4,530
At end of the year	<u>(28,523)</u>	<u>4,618</u>

The currency translation reserve accumulates all foreign exchange differences.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

26. Other reserves (cont'd)

26B. Asset revaluation reserve

	Group 30.6.2016 \$'000	Group 30.6.2015 \$'000 (Restated)
At beginning of the year	153,448	194,433
Gains (losses) on revaluation of properties in property, plant and equipment	844	(49,873)
Deferred tax thereon	(90)	8,888
At end of the year	<u>154,202</u>	<u>153,448</u>

The revaluation of properties reserve arises from the annual revaluation of properties held under property, plant and equipment. It is not distributable until it is reclassified to retained earnings on the disposal of the assets.

27. Other financial liabilities

	Group 2016 \$'000	Group 2015 \$'000	Company 2016 \$'000	Company 2015 \$'000
<u>Non-current:</u>				
<u>Financial instruments with floating interest rates:</u>				
Bank loans (secured) (Note 27A)	683,961	1,087,814	–	–
Bank loans (unsecured) (Note 27B)	110,000	–	110,000	–
Less: Unamortised transaction costs	(1,449)	–	(1,449)	–
<u>Financial instruments with fixed interest rates:</u>				
Fixed rate notes (Note 27C)	450,000	500,000	–	425,000
Less: Unamortised transaction costs	(8,080)	(4,549)	–	(3,884)
Derivative financial instruments (Note 30)	157	24,850	–	24,850
Total non-current portion	<u>1,234,589</u>	<u>1,608,115</u>	<u>108,551</u>	<u>445,966</u>
<u>Current:</u>				
<u>Financial instruments with floating interest rates:</u>				
Bank loans (secured) (Note 27A)	931,743	598,121	–	–
<u>Financial instruments with fixed interest rates:</u>				
Fixed rate notes (Note 27C)	469,250	225,000	394,750	225,000
Less: Unamortised transaction costs	(1,998)	(348)	(1,829)	(349)
Derivative financial instruments (Note 30)	21,930	–	21,619	–
Total current portion	<u>1,420,925</u>	<u>822,773</u>	<u>414,540</u>	<u>224,651</u>
Total non-current and current	<u>2,655,514</u>	<u>2,430,888</u>	<u>523,091</u>	<u>670,617</u>
The non-current portion is repayable as follows: Due within 2 to 5 years	<u>1,234,589</u>	<u>1,608,115</u>	<u>108,551</u>	<u>445,966</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

27. Other financial liabilities (cont'd)

The range of floating rate interest rates paid was as follows:

	Group		Company	
	2016	2015	2016	2015
Bank loans (secured)	2.20% – 3.74%	1.77% – 7.85%	–	–
Bank loans (unsecured)	7.82% – 8.25%	–	7.82% – 8.25%	–

The range of fixed rate interest rates paid was as follows:

	Group		Company	
	2016	2015	2016	2015
Fixed rate notes	<u>4.75% – 5.15%</u>	4.75% – 5.15%	4.75% – 5.10%	4.75% – 5.10%

The weighted effective interest rates per annum based on the capitalisation of transaction costs are as follows:-

	Group		Company	
	2016	2015	2016	2015
Bank loans (unsecured)	4.60%	–	4.60%	–
Fixed rate notes	<u>5.14% – 5.85%</u>	5.14% – 5.85%	5.14% – 5.68%	5.14% – 5.68%

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six month intervals.

27A. Bank loans (secured)

The bank agreements for the bank loans provide among other matters for the following:

- (a) First legal mortgage on certain property, plant and equipment and investment properties as disclosed in Note 14 and 15 respectively;
- (b) First legal mortgage on some of the development properties disclosed in Note 21;
- (c) Legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of the proposed developments;
- (d) Joint and several guarantees from non-controlling shareholders of the subsidiaries;
- (e) Corporate guarantee by the Company and fellow subsidiaries;
- (f) Deed of subordination of shareholder and related companies' loan; and
- (g) Compliance with certain covenants.

There are bank loans repayable by monthly or quarterly instalments over 2 to 7 years from the date of first drawdown.

Repayment terms of certain bank loans are in one lump sum ranging from 36 to 70 months (2015: 36 to 70 months) from the date of first drawdown of the loan or three to six months from the date of issuance of the Temporary Occupation Permit, whichever is the earliest.

The fair value of the bank loans is a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

27B. Bank loans (unsecured)

The loans are repayable within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

27. Other financial liabilities (cont'd)

27C. Fixed rate notes

- (i) Multicurrency Medium Term Note Programme

On 6 May 2013 and 15 November 2013, the Group established the \$300,000,000 Multicurrency Medium Term Note Programme and \$500,000,000 Multicurrency Medium Term Note Programme respectively (collectively known as "Programme").

On 6 September 2013, the limit for the \$300,000,000 Multicurrency Medium Term Note Programme has been increased to \$500,000,000. This Programme provides for the following: That the Group may subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series or tranches. Each series or tranche of notes may be issued in various currencies and tenor, and may bear fixed, floating, variable or hybrid rates of interest. Notes may be issued at par or at a discount, or premium to par. The Group need to observe certain financial covenants.

On 17 October 2014, the Group increased the limit for one of the \$500,000,000 Multicurrency Medium Term Note Programme to \$1,000,000,000. It was amended to include a subsidiary, Oxley MTN Pte. Ltd., as one of the issuers.

On 31 October 2014, a wholly-owned subsidiary, Oxley MTN Pte. Ltd., issued a \$75,000,000 note which is due on 31 October 2016.

The total facility drawn down as at 30 June 2016 under the Programme is \$469,250,000 (2015: \$725,000,000), consisting of:

1. \$150,000,000 5.10% notes due 2017. The \$150,000,000 notes were issued on 16 May 2013 and will mature on 16 May 2017 and bear a fixed interest rate of 5.10% per annum, payable semi-annually in arrears.
2. \$95,500,000 4.75% notes due 2018. The \$125,000,000 notes were issued on 11 July 2013 and will mature on 11 July 2018 and bear a fixed interest rate of 4.75% per annum, payable semi-annually in arrears. \$29,500,000 of the medium term notes have been repurchased and cancelled during the financial year.

Subsequent to the financial year, the Company has fully redeemed and cancelled the above note of \$95,500,000 on 11 July 2016.

3. \$135,000,000 4.75% notes due 2015. The \$135,000,000 notes were issued on 23 September 2013 and matured on 23 September 2015 and bore a fixed interest rate of 5.00% per annum, payable semi-annually in arrears. This note had been settled during the financial year.
4. \$90,000,000 4.75% notes due 2015. The \$90,000,000 notes were issued on 6 November 2013 and matured on 23 September 2015 and bore a fixed interest rate of 5.15% per annum, payable semi-annually in arrears. This note had been settled during the financial year.
5. \$100,000,000 5.10% notes due 2016. The \$100,000,000 notes were issued on 5 December 2013 and will mature on 5 December 2016 and bear a fixed interest rate of 5.10% per annum, payable semi-annually in arrears.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

27. Other financial liabilities (cont'd)

27C. Fixed rate notes (cont'd)

(i) Multicurrency Medium Term Note Programme (cont'd)

6. \$49,250,000 5.10% notes due 2016. The \$50,000,000 notes were issued on 21 February 2014 and will mature on 5 December 2016 and bear a fixed interest rate of 5.10% per annum, payable semi-annually in arrears. \$750,000 of the medium term notes have been repurchased and cancelled during the financial year.
7. \$74,500,000 5.15% notes due 2016. The \$75,000,000 notes were issued on 31 October 2014 and will mature on 31 October 2016 and bear a fixed interest rate of 5.15% per annum, payable semi-annually in arrears. \$500,000 of the medium term notes have been repurchased and cancelled during the financial year.

During the reporting year 2016, the Group repurchased and cancelled \$30,750,000 medium term notes. The loss resulted from the difference between the carrying amount of the original financial liabilities extinguished and the consideration paid amounting to \$34,000 is recognised in profit or loss.

(ii) Bonds

During the reporting year ended 30 June 2016, a wholly-owned subsidiary, Oxley MTN Pte. Ltd. issued retail bonds of \$450,000,000, consisting of:

1. \$300,000,000 5.00% notes due 2019. The \$300,000,000 bonds were issued on 5 November 2015 and will mature on 5 November 2019 and bear a fixed interest rate of 5.00% per annum, payable semi-annually in arrears.
2. \$150,000,000 5.15% notes due 2020. The \$150,000,000 bonds were issued on 18 May 2016 and will mature on 18 May 2020 and bear a fixed interest rate of 5.15% per annum, payable semi-annually in arrears.

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Fair value of the fixed rate notes and bonds (Level 1)	911,427	724,747	393,939	649,334

28. Trade and other payables

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Trade payables</u>				
Outside parties and accrued liabilities	250,214	119,105	6,853	6,229
Related parties	2,076	4,852	—	—
Trade payables – subtotal	252,290	123,957	6,853	6,229
<u>Other payables</u>				
Rental deposits	1,301	743	—	—
Subsidiaries (Note 3)	—	—	832,580	232,543
Joint ventures (Note 3)	5,377	33,554	1,859	33,231
Non-controlling interests (Note 3)	87,223	81,911	—	—
Other payables – subtotal	93,901	116,208	834,439	265,774
Total trade and other payables	346,191	240,165	841,292	272,003

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

28. Trade and other payables

Other payables with interest bearing balances are as follows:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Fixed interest rate of 3% – 6% (2015: 3%) per annum</u>				
Non-controlling interests	43,956	37,476	–	–
Subsidiaries	–	–	627,148	867
Joint ventures	–	32,200	–	32,200
<u>Floating interest rate of 5.35% (2015: 5.35%) per annum</u>				
Non-controlling interests	10,820	9,470	–	–
Subsidiaries	–	–	113,179	152,519

Advances from non-controlling interests were to finance the purchases of development properties.

29. Other liabilities

	Group	
	2016 \$'000	2015 \$'000
Progress payments	605,505	576,027

This pertains to progress payments received and receivable from buyers of industrial and commercial development properties (See Note 21).

30. Derivative financial instruments

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Liabilities – derivatives with negative fair values:</u>				
<u>Derivatives not designated as hedging instruments:</u>				
Currency swap contracts (Note 30A)	–	24,850	–	24,850
Forward currency exchange contracts (Note 30B)	21,619	–	21,619	–
Interest rate swap contracts (Note 30C)	468	–	–	–
	<u>22,087</u>	<u>24,850</u>	<u>21,619</u>	<u>24,850</u>
Non-current portion (Note 27)	157	24,850	–	24,850
Current portion (Note 27)	21,930	–	21,619	–
	<u>22,087</u>	<u>24,850</u>	<u>21,619</u>	<u>24,850</u>

The purpose of these contracts is to mitigate the fluctuations of transactions denominated in the non-functional currencies. As a matter of principle, the entity does not enter into derivative contracts for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

30. Derivative financial instruments (cont'd)

30A. Currency swap contracts

There are contractual agreements or currency swaps with other parties to exchange streams of payments over time based on specified notional amounts. The Group pays a specified amount in one currency and receives a specified amount in another currency. The currency swaps for which gross cash flows are exchanged are shown gross. The increases or decreases in the fair values of the foreign currency denominated financial assets and liabilities are partially offset by gains and losses on the economic hedging instruments.

The currency swap contract is not traded in an active market. As a result, its fair value is based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price (Level 2).

Group and Company

2015	Maturity date	Reference currency	Principal \$'000	Liabilities \$'000
Currency swap	December 2016 ^(a)	GBP	163,900	(24,850)

^(a) The currency swap contracts are fully settled during the reporting year.

30B. Forward currency exchange contracts

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

Group and Company

2016	Principal	Reference currency	Maturity	Liabilities \$'000
Forward currency contracts	14,870,000	GBP	December 2016	(2,299)
Forward currency contracts	9,000,000	GBP	December 2016	(2,759)
Forward currency contracts	17,500,000	GBP	January 2017	(7,070)
Forward currency contracts	21,000,000	GBP	January 2017	(3,669)
Forward currency contracts	25,000,000	GBP	June 2017	(2,679)
Forward currency contracts	25,000,000	GBP	June 2017	(2,627)
Forward currency contracts	3,000,000	GBP	July 2016	(516)
				(21,619)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

30. Derivative financial instruments (cont'd)

30C. Interest rate swap contracts

The notional amount of the interest rate swaps was GBP70,000,000 (2015: Nil). They are designed to convert floating rate borrowings of 0.88% – 0.90% (2015: Nil) to fixed rate exposure at 0.59% (2015: Nil) for the next 1-2 years. At the end of the reporting year, the interest rates vary from 0.59% to 0.90% (2015: Nil).

Information on the maturities of the loans is provided as follows:-

Group

2016	Principal	Reference currency	Maturity	Liabilities \$'000
Interest rate swap	35,000,000	GBP	December 2017	(263)
Interest rate swap	35,000,000	GBP	December 2017	(205)
				<u>(468)</u>

The interest rate swaps are not traded in an active market. As a result, their fair values are based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price (Level 2). The valuation technique uses market observable inputs.

31. Commitments

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

	Group	
	2016 \$'000	2015 \$'000
Development expenditure contracted for development properties ^(a)	1,890,719	307,643
Commitment to construct property, plant and equipment	122,601	150,789
Commitment to construct investment properties	138,117	19,721

^(a) In the reporting year 2015, the development expenditure includes contracts with a related party amounting to \$472,000.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

32. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group	
	2016 \$'000	2015 \$'000
Not later than one year	765	1,230
Later than one year and not later than five years	61	1,005
Rental expense for the year	732	1,279

Operating lease payments are for rentals payable for office premises. The leases from the owners range from one to three years.

33. Operating lease income commitments – as lessor

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2016 \$'000	2015 \$'000
Not later than one year	10,919	8,266
Later than one year and not later than five years	35,435	47,355
Rental income for the year	10,737	2,620

Operating lease income commitments are for certain investment properties and for certain residential properties acquired for the purpose of redevelopment.

34. Acquisition of an associate

On 24 July 2015, the Group completed its acquisition of 20% equity interest in Galliard (Group) Ltd ("Galliard") (incorporated in London). It became an associate of the Group (also see Note 17 for its principal activities). The transaction was accounted for by the acquisition method of accounting.

The consideration transferred is as follows:

	\$'000
Cash paid	105,450

Management has since finalised the purchase price allocation exercise and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition by engaging an independent consultant to measure the fair values.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

34. Acquisition of associate (cont'd)

The fair values of Galliard's identifiable assets acquired and liabilities assumed are shown below:

	Group Acquiree's carrying amount	
	Before combination	At fair values
	\$'000	\$'000
Intangible assets – negative goodwill	(116,849)	–
Property, plant and equipment	65,666	65,666
Investments in joint ventures	162,501	666,634
Investments in associates	2,139	(1,177)
Investments	4,872	827
Inventories	606,097	540,993
Trade receivables	263,760	263,760
Cash and cash equivalents	53,520	158,970
Trade payables	(501,866)	(501,866)
Non-current payables	(435,034)	(435,034)
Provisions	(8,647)	(8,647)
Deferred tax liabilities	–	(90,569)
Contingent liabilities	–	(6,327)
Net identifiable assets	<u>96,159</u>	<u>653,230</u>
Share of fair value of identifiable net assets acquired	130,646	
Negative goodwill	<u>(25,196)</u>	
Purchase consideration, settled by cash	<u>105,450</u>	

The excess of \$25,196,000 of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent consideration over the cost of the business combination has been recognised in the profit or loss under share of profit from equity accounted associates. It arose primarily from the fair value increase of investments in joint ventures and inventories held by Galliard.

The contributions from the acquired associate for the period between the date of acquisition and the end of the reporting year were as follows:

	Group	
	From date of acquisition in 2016	For the reporting year 2016
	\$'000	\$'000
Profit for the year	24,878	24,878
Negative goodwill	25,196	25,196
	<u>50,074</u>	<u>50,074</u>

The Group holds a 20% equity interest in Galliard (Group) Limited ("Galliard"). Galliard has also issued warrants to an investor and if the warrant holder were to exercise its rights to convert the warrants into new ordinary shares in the capital of Galliard, the Group's equity interest in Galliard would reduce to 18%. Significant influence is presumed to exist (or not exist) when an entity holds 20% or more (or less than 20%) of the voting rights of another entity, unless it can be clearly demonstrated otherwise. Management has exercised significant judgement and determine that the Group continues to have significant influence over Galliard given, among other factors, the Group's participation in policy-making processes and decision-making about dividends and other distributions through its board representation. Based on these factors, management has classified Galliard as an associate in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

35. Financial instruments: information on financial risks

35A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	(Restated)			
<u>Financial asset</u>				
Cash and cash equivalents	551,253	343,974	86,846	2,861
Loans and receivables	974,231	965,421	900,483	1,014,673
Available-for-sale financial assets	2,239	3,326	–	–
	<u>1,527,723</u>	<u>1,312,721</u>	<u>987,329</u>	<u>1,017,534</u>
<u>Financial liabilities</u>				
Derivative financial instruments at fair value	22,087	24,850	21,619	24,850
Other financial liabilities measured at amortised cost	2,633,427	2,406,038	501,472	645,767
Trade and other payables measured at amortised cost	346,191	240,165	841,292	272,003
	<u>3,001,705</u>	<u>2,671,053</u>	<u>1,364,383</u>	<u>942,620</u>

Further quantitative disclosures are included throughout these financial statements.

35B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.
5. When appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

35C. Fair values of financial instruments

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

35. Financial instruments: information on financial risks (cont'd)

35D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. Trade receivables relate mainly to the Group's customers who bought its commercial and residential units. The Group's exposure to credit risk is deemed acceptable as it would receive at least 85% of sale proceeds prior to handing over the units of commercial and residential properties to the customers. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and debtors. Other receivables represent loans receivables from non-controlling shareholders, which in the opinion of the directors, the credit risk is minimal.

Note 24 discloses the maturity of the cash and cash equivalents balances.

As at the end of reporting year, no trade and other receivables amounts were past due or impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity.

35E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>2016</u>			
Gross borrowing commitments	1,482,602	1,357,142	2,839,744
Trade and other payables	347,922	–	347,922
	<u>1,830,524</u>	<u>1,357,142</u>	<u>3,187,666</u>
<u>2015</u>			
Gross borrowing commitments	895,064	1,799,922	2,694,986
Trade and other payables	242,762	–	242,762
	<u>1,137,826</u>	<u>1,799,922</u>	<u>2,937,748</u>
Company	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>2016</u>			
Gross borrowing commitments	413,755	110,340	524,095
Trade and other payables	880,265	–	880,265
	<u>1,294,020</u>	<u>110,340</u>	<u>1,404,360</u>
<u>2015</u>			
Gross borrowing commitments	251,319	452,437	703,756
Trade and other payables	281,154	–	281,154
	<u>532,473</u>	<u>452,437</u>	<u>984,910</u>

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

35. Financial instruments: information on financial risks (cont'd)

35E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group Derivative financial liabilities:	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>2016</u>			
Forward contract	21,619	–	21,619
Interest rate swap	285	57	342
	<u>21,904</u>	<u>57</u>	<u>21,961</u>
<u>2015</u>			
Currency swap	3,218	349,452	352,670
	<u>3,218</u>	<u>349,452</u>	<u>352,670</u>

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2015: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

Financial guarantee contracts – For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Company	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>2016</u>			
Bank guarantee in favour of subsidiaries (Note 3)	770,524	660,047	1,430,571
	<u>770,524</u>	<u>660,047</u>	<u>1,430,571</u>
<u>2015</u>			
Bank guarantee in favour of joint ventures (Note 3)	77,447	–	77,447
Bank guarantee in favour of subsidiaries (Note 3)	476,194	981,130	1,457,324
	<u>553,641</u>	<u>981,130</u>	<u>1,534,771</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

35. Financial instruments: information on financial risks (cont'd)

35F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Financial liabilities with interest</u>				
Fixed rates	953,128	789,779	1,020,069	678,834
Floating rates	1,735,075	1,695,405	221,730	152,519
	<u>2,688,203</u>	<u>2,485,184</u>	<u>1,241,799</u>	<u>831,353</u>
<u>Financial assets with interest</u>				
Fixed rates	–	833	245,335	58,444
Floating rates	38,720	86,455	478,109	492,954
	<u>38,720</u>	<u>87,288</u>	<u>723,444</u>	<u>551,398</u>

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis:

	Group	
	2016 \$'000	2015 \$'000
<u>Financial liabilities</u>		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase / decrease in the amount of interest expense capitalised in development properties for the year by	14,320	12,790
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase / decrease in pre-tax profit for the year by	1,840	2,780
<u>Financial assets through profit or loss</u>		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase / decrease in pre-tax profit for the year by	<u>3,872</u>	<u>8,729</u>

The analysis has been performed for fixed interest rate and floating interest rate over a year for financial instruments. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

35. Financial instruments: information on financial risks (cont'd)

35G. Foreign currency risk

The Group transacts business in various foreign currencies, including Great Britain Pound, United States Dollar, European Dollar, Australian Dollar, Malaysian Ringgit and Japanese Yen, and therefore is exposed to foreign exchange risk.

At the end of the reporting year, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Financial assets</u>				
Singapore Dollar	132	22	–	–
Great Britain Pound	288	6,910	180,951	415,505
European Dollar	–	–	65,265	–
United States Dollar	42,930	35,686	46,842	24,871
Japanese Yen	6,843	46,396	5,937	12,659
Australian Dollar	–	–	827	–
Malaysian Ringgit	118	–	196,176	–
Total financial assets	50,311	89,014	495,998	453,035
<u>Financial liabilities</u>				
Singapore Dollar	–	(24)	–	–
Great Britain Pound	(21,619)	–	(215,315)	–
Total financial liabilities	(21,619)	(24)	(215,315)	–
<u>Net financial assets (liabilities) at end of the reporting year</u>				
Singapore Dollar	132	(2)	–	–
Great Britain Pound	(21,331)	6,910	(34,364)	415,505
European Dollar	–	–	65,265	–
United States Dollar	42,930	35,686	46,842	24,871
Japanese Yen	6,843	46,396	5,937	12,659
Australian Dollar	–	–	827	–
Malaysian Ringgit	118	–	196,176	–

Sensitivity analysis:

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, profit or loss will increase (decrease) by:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Singapore Dollar</u>				
Great Britain Pound	(13)	–	–	–
European Dollar	2,133	(691)	3,436	(41,551)
United States Dollar	–	–	(6,527)	–
Japanese Yen	(4,293)	(3,569)	(4,684)	(2,487)
Australian Dollar	(684)	(4,640)	(594)	(1,266)
Malaysian Ringgit	–	–	(83)	–
	(12)	–	(19,618)	–

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, the effect on profit or loss will be vice-versa. The analysis above has been carried out on the basis that there are no hedged transactions.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

36. Items in profit or loss

In addition to the profit and loss line items disclosed elsewhere in the notes to the financial statements, this item includes the following expenses (credits):

	Group	2016 \$'000	2015 \$'000
Audit fees to the independent auditor of the Company		235	255
Audit fees to other independent auditors		282	244
Other fees to independent auditor of the Company		142	90
Other fees to other independent auditors		<u>48</u>	<u>15</u>

37 Changes and adoption of financial reporting standards

For the current reporting year new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the Group are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendments to FRS 1: Disclosure Initiative (early application)
Various	Improvements to FRSs (Issued in January 2014). Relating to
	FRS 103 Business Combinations
	FRS 108 Operating Segments
	FRS 113 Fair Value Measurement
	FRS 16 Property, Plant and Equipment
	FRS 24 Related Party Disclosures
Various	Improvements to FRSs (Issued in February 2014). Relating to
	FRS 103 Business Combinations
	FRS 113 Fair Value Measurement
	FRS 40 Investment Property

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

38. New or amended standards in issue but not yet effective

For the future reporting years new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Group for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 16 & 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019

39. Changes in accounting policies and restatements of comparative figures

The comparative figures in these financial statements have been restated as follows:

	Notes	After reclassification \$'000	Before reclassification \$'000	Difference \$'000
<u>2015 Statements of financial position</u>				
Property, plant and equipment	1, 2	642,501	1,212	641,289
Investment properties	1, 3	298,487	647,111	(348,624)
Development properties	2, 4	2,478,880	1,829,602	649,278
Trade and other receivables	4	286,366	965,421	(679,055)
Other reserves	1, 2	(158,066)	(4,618)	(153,448)
Retained earnings	3	(357,618)	(302,075)	(55,543)
Non-controlling interests	3	(110,793)	(99,524)	(11,269)
Deferred tax liabilities	1, 2, 3	(86,141)	(43,513)	(42,628)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

39. Changes in accounting policies and restatements of comparative figures (cont'd)

	Notes	After reclassification \$'000	Before reclassification \$'000	Difference \$'000
<u>2015 Statements of comprehensive income</u>				
Other gains	3	29,262	39	29,223
Administrative expenses	3	(17,298)	(17,903)	(605)
Income tax expenses	3	(39,843)	(35,377)	(4,466)
Other comprehensive income				
– Loss on revaluation of property, plant and equipment	1, 2	(40,985)	–	(40,985)
<u>2015 Statements of changes in equity</u>				
Other reserves	1, 2	(153,448)	–	(153,448)
Retained earnings	3	(357,618)	(302,075)	(55,543)
Non-controlling interests	3	(110,793)	(99,524)	(11,269)
<u>2015 Earnings per share</u>				
		Cents	Cents	Cents
Basic	3	2.67	2.07	0.60
Diluted	3	2.67	2.07	0.60

- During the reporting year 2016, management reassessed the classification of all mixed developments that involve hotel management agreements (HMA) signed with third party hotel operators. 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. Based on these factors, management has reclassified a hotel property under development from investment property to property, plant and equipment.

The Group adopts revaluation model under FRS 16, Property, Plant and Equipment to measure its property after initial recognition as management believes that this would better reflect the value of the asset. The reclassification has been applied retrospectively.

- During the reporting year 2016, management reclassified certain office units in one of the commercial properties being developed by the Group from development property to property, plant and equipment. These office units have been reserved for use as the Group's corporate office.

The Group adopts revaluation model under FRS 16, Property, Plant and Equipment to measure its property after initial recognition as management believes that this would better reflect the net worth of the asset. The reclassification has been applied retrospectively.

- Effective from beginning of the current reporting year, the Group changed its accounting policy with respect to the subsequent measurement of investment properties from cost to fair value model. Management believes that the use of fair value model provides more relevant financial information to the users of financial statements and it better reflect the value of the Group's investment properties. This change in accounting policy has been applied retrospectively.
- During the reporting year 2016, management reclassified unbilled revenue on properties under development that was included in trade receivables to development properties so as to align the Group's presentation with industry practice. The reclassification has been applied retrospectively.

As is required by FRS 1 the statement of financial position at the end of the current reporting year and the beginning and end of the preceding reporting year is presented. However related notes relating to the above balances only (that were restated / reclassified in the statement of financial position) are presented. Apart from these disclosures, other balances and notes are not impacted by the restatements / reclassifications.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

40. Listing of and information on subsidiaries

The listing of and information on the subsidiaries are given below:

Name of subsidiaries and principal activities	Cost in Books of Company		Effective Percentage of Equity Held by Group	
	2016 \$'000	2015 \$'000	2016 %	2015 %
<u>Held by the Company</u>				
Action Property Pte. Ltd. ^{(d) (j)} Property development	510	510	51	51
Ascend Assets Pte. Ltd. ^{(c) (d)} Property development	910	910	100	100
Galaxy Land Pte. Ltd. ^{(d) (j)} Property development	1,308	1,308	100	100
Hume Homes Pte. Ltd. ^{(d) (j)} Property development	1,173	1,173	100	100
Oxley Ascend Capital Pte. Ltd. ^{(c) (d)} Property development	833	833	100	100
Oxley Asset Management Pte. Ltd. ^{(d) (j) (l) (m)} Property development (Incorporated on 23 February 2016)	— (a)	—	100	—
Oxley Ascend Realty Pte. Ltd. ^{(d) (j)} Property development	550	550	55	55
Oxley Assets Pte. Ltd. ^{(d) (j)} Property development	994	994	100	100
Oxley Bliss Pte. Ltd. ^{(d) (j)} Property investment	700	700	70	70
Oxley Blossom Pte. Ltd. ^{(d) (j)} Property development	1,000	1,000	100	100
Oxley Bright Pte. Ltd. ^{(d) (j)} Investment holding	— (a)	— (a)	100	100
Oxley Concept Pte. Ltd. ^{(d) (j)} Property development	596	596	60	60
Oxley Connections Pte. Ltd. ^{(d) (j)} Investment holding	2,600	2,600	52	52
Oxley Consortium Pte. Ltd. ^{(d) (j)} Property development	1,000	1,000	100	100
Oxley Fort Pte. Ltd. ^{(d) (j)} Property development	1,000	1,000	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

40. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Cost in Books of Company		Effective Percentage of Equity Held by Group	
	2016 \$'000	2015 \$'000	2016 %	2015 %
<u>Held by the Company (cont'd)</u>				
Oxley Gem Pte. Ltd. ^{(d) (j)} Property investment	1,000	1,000	100	100
Oxley Global Pte. Ltd. ^{(d) (j)} Property development	1,000	1,000	100	100
Oxley International Holdings Pte. Ltd. ^{(d) (k)} Investment holding	— (a)	— (a)	100	100
Oxley Module Pte. Ltd. ^{(d) (j)} Property development	656	656	66	66
Oxley Mosaic Pte. Ltd. ^{(d) (j)} Property development	1,000	1,000	100	100
Oxley MTN Pte. Ltd. ^{(d) (j)} Provision of financial and treasury services	7,000	— (a)	100	100
Oxley Niche Pte. Ltd. ^{(d) (j)} Property development	1,000	1,000	100	100
Oxley Pearl Pte. Ltd. ^{(d) (j) (l) (m)} Property development (Incorporated on 23 February 2016)	— (a)	—	100	—
Oxley Rise Pte. Ltd. ^{(d) (j) (m)} Property development	1,000	1,000	100	100
Oxley Rising Pte. Ltd. ^{(d) (j)} Property development	— (a)	— (a)	100	100
Oxley Sanctuary Pte. Ltd. ^{(d) (j)} Property development	550	550	55	55
Oxley Sims Pte. Ltd. ^{(d) (j)} Property development	1,000	1,000	100	100
Oxley Sparkle Pte. Ltd. ^{(d) (j) (l) (m)} Property development	— (a)	— (a)	100	100
Oxley Star Pte. Ltd. ^{(d) (j)} Property development	671	671	67.5	67.5
Oxley Vibes Pte. Ltd. ^{(d) (j)} Property development	900	900	90	90

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

40. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Cost in Books of Company		Effective Percentage of Equity Held by Group	
	2016 \$'000	2015 \$'000	2016 %	2015 %
<u>Held by the Company (cont'd)</u>				
Oxley Vibrant Pte. Ltd. ^{(d) (j)} Property development	1,000	1,000	100	100
Oxley Vista Pte. Ltd. ^{(d) (j)} Property development	550	550	55	55
Oxley Viva Pte. Ltd. ^{(d) (j)} Property development	550	550	55	55
Oxley Wealth Pte. Ltd. ^{(c) (d)} Property development	434	434	51	51
Oxley YCK Pte. Ltd. ^{(d) (j) (m)} Property development	550	550	55	55
Oxley Zest Pte. Ltd. ^{(d) (j) (l) (m)} Property development	— (a)	— (a)	100	100
	<u>32,035</u>	<u>25,035</u>		
<u>Held through Oxley Connections Pte. Ltd.</u>				
Orchard Suites Residence Pte. Ltd. ^{(d) (j)} Property development			52	52
<u>Held through Oxley International Holdings Pte. Ltd.</u>				
Oxley Australia Pte. Ltd. ^{(d) (k) (m)} Investment holding (Incorporated on 3 February 2016)			100	—
Oxley Batam Pte. Ltd. ^{(d) (b) (k) (m)} Property development			100	100
Oxley Cambodia Pte. Ltd. ^{(d) (k) (m)} Investment holding			100	100
Oxley China Pte. Ltd. ^{(d) (k) (m)} Investment holding			100	100
Oxley Malaysia Pte. Ltd. ^{(d) (k) (m)} Investment holding			100	100
Oxley London Pte. Ltd. ^{(d) (k) (m)} Investment holding			100	100
Oxley Myanmar Pte. Ltd. ^{(d) (k)} Investment holding			100	100

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

40. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Effective Percentage of Equity Held by Group	
	2016 %	2015 %
<u>Held through Oxley International Holdings Pte. Ltd. (cont'd)</u>		
Oxley UK Pte. Ltd. ^{(b) (d) (k) (m)}	100	100
Investment holding		
Oxley Japan Pte. Ltd. ^{(d) (k) (m)}	100	100
Investment holding		
Oxley Dublin Pte Ltd ^{(d) (k) (m)}	100	100
Investment holding		
<u>Held through Oxley Australia Pte. Ltd.</u>		
Walker Street No.100 Pty Ltd ^{(n) (l)}	100	—
Property development		
(Incorporated on 30 May 2016)		
Oxley Australia Property Holdings Pty Ltd ⁽ⁿ⁾	100	—
Investment holding		
(Incorporated on 5 February 2016)		
<u>Held through Oxley Australia Property Holdings Pte. Ltd.</u>		
Oxley Australia Management Pty Ltd ^{(n) (l)}	100	—
Property development		
(Incorporated on 19 February 2016)		
<u>Held through Oxley Cambodia Pte. Ltd.</u>		
Oxley Holdings (Cambodia) Co., Ltd. ^{(e) (k) (m)}	100	100
Investment holding		
<u>Held through Oxley Holdings (Cambodia) Co., Ltd.</u>		
Oxley-Worldbridge (Cambodia) Co., Ltd. ^{(e) (k) (m)}	49 ^(o)	49 ^(o)
Property development		
Oxley Emerald (Cambodia) Co., Ltd ^{(e) (k) (m)}	79 ^(p)	75
Property development		
Oxley Gem (Cambodia) Co., Ltd ^{(e) (k) (m)}	79 ^(p)	75
Property development		
Oxley Sapphire (Cambodia) Co., Ltd ^{(e) (k) (m)}	79 ^(p)	75
Property development		
<u>Held through Oxley Malaysia Pte. Ltd.</u>		
Oxley Holdings (Malaysia) Sdn. Bhd. ^{(f) (k) (m)}	100	100
Investment holding		

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

40. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Effective Percentage of Equity Held by Group	
	2016 %	2015 %
<u>Held through Oxley Holdings (Malaysia) Sdn. Bhd.</u>		
Oxley Diamond Sdn. Bhd. ^{(f) (k) (m)} Property development	100	100
Oxley Emerald Sdn. Bhd. ^{(f) (k) (m)} Investment holding	100	100
Oxley Gem Sdn. Bhd. ^{(f) (k) (l) (m)} Property development	100	100
Oxley Ruby Sdn. Bhd. ^{(f) (k) (m)} Investment holding	100	100
Oxley Sapphire Sdn. Bhd. ^{(f) (k) (m)} Property development	100	100
Oxley Star Sdn. Bhd. ^{(f) (k) (m)} Property development	100	100
Oxley Zest Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Rising Sdn Bhd ^{(f) (k) (m)} Property development	100	100
Oxley Mosaic Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Treasure Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Stellar Treasure Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley World Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Concept Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Jade Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

40. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Effective Percentage of Equity Held by Group	
	2016 %	2015 %
<u>Held through Oxley Holdings (Malaysia) Sdn. Bhd. (cont'd)</u>		
Oxley Development Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Land Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Realty Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Boulevard Channel Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
<u>Held through Oxley London Pte. Ltd.</u>		
Oxley Wharf Limited ^{(g) (k)} Investment holding	100	100
Oxley Wharf Property 1 Limited ^{(g) (k) (m)} Property development	100	100
Oxley Wharf Property 2 Limited ^{(g) (k) (m)} Property development	100	100
Oxley Wharf Property 3 Limited ^{(g) (k) (m)} Property development	100	100
Oxley Wharf Property 4 Limited ^{(g) (k)} Property development	100	100
Oxley Wharf Property 6 Limited ^{(g) (k)} Property development	— (q)	100
Oxley Wharf Property 7 Limited ^{(g) (k)} Property development	— (q)	100
<u>Held through Oxley Japan Pte. Ltd.</u>		
Oxley Akasaka Pte. Ltd. ^{(d) (k) (m)} Investment holding	100	100
<u>Held through Oxley Myanmar Pte. Ltd.</u>		
Oxley Yangon Company Limited ^{(h) (k) (m)} Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

40. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Effective Percentage of Equity Held by Group	
	2016 %	2015 %
<u>Held through Oxley Yangon Company Limited</u> Oxley Consultancy & Management Company Limited ^{(h) (k) (m)} Property development	100	100
<u>Held through Oxley UK Pte. Ltd.</u> Oxley Deanston Limited ^{(g) (k) (m)} Property development	100	100
<u>Held through Oxley Dublin Pte. Ltd.</u> Oxley Docklands Quay Limited ^{(i) (k) (m)} Property development	100	100
(a) Cost of investment is less than \$1,000.		
(b) In 2015, the investments of these subsidiaries are held directly by the Company. In 2016, the direct interest in these investments are transferred to subsidiaries within the Group.		
(c) Not audited as these companies are under members' voluntary liquidation proceedings.		
(d) Incorporated in Singapore		
(e) Incorporated in Cambodia		
(f) Incorporated in Malaysia		
(g) Incorporated in United Kingdom		
(h) Incorporated in Myanmar		
(i) Incorporated in Ireland		
(j) Audited by RSM Chio Lim LLP, a member of RSM International		
(k) Audited by various member firms of Deloitte Touche Tohmatsu Limited		
(l) The entity is dormant during the reporting year.		
(m) The Company has given an undertaking of continuing financial support to these subsidiaries. This undertaking is provided by the Company without charge.		
(n) Incorporated in Australia.		
(o) The entity is consolidated because although the Group does not own, directly or indirectly through subsidiaries, more than half of the voting power of the entity, it is able to govern the financial and operating policies of the investee by virtue of an agreement with the other shareholders of the investee.		
(p) During the reporting year 2016, the Group increased its investment in Cambodia subsidiaries. There is no change in management and control over these subsidiaries.		
(q) The entities are struck off during the reporting year 2016.		

As is required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

40. Listing of and information on subsidiaries (cont'd)

There are subsidiaries that have non-controlling interests ("NCI") that are considered material to the reporting entity and additional disclosures on the (amounts before inter-company eliminations) are presented below.

Name of the subsidiary:	Oxley Viva Pte. Ltd.		Oxley Sanctuary Pte. Ltd.	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
The profit allocated to NCI of the subsidiary during the reporting year	27,784	26,903	44,111	17,161
Accumulated NCI of the subsidiary at the end of the reporting year	61,530	33,746	64,625	20,514
The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the Group and amounts before inter-company eliminations) is as follows:				
Current assets	300,982	262,411	387,712	323,708
Current liabilities	(135,005)	(124,577)	(214,999)	(6,507)
Revenue	262,641	234,829	333,259	121,778
Profit for the reporting year	61,742	59,784	98,025	38,136
Total comprehensive income	61,742	59,784	98,025	38,136
Operating cash flows, increase	73,501	65,513	64,666	5,254
Net cash flows, increase (decrease)	33,070	(30,540)	3,206	3,326

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

41. Listing of and information on development properties

The listing of and information on the development properties are given below:

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Gross Floor Area Completion at 30 June 2016	Interest Held by the Group	Expected Completion Date ^(h)					
			Land Area	Gross Floor Area								
<u>Singapore</u>												
<u>Mixed developments</u>												
RV Point 233 River Valley Road, Singapore	8-storey development, mechanised car park and communal facilities	999-year leasehold from 1 July	507 1841	2,038	100%	100%	Completed					
Viva Vista 3 South Buona Vista Road, Singapore	5-storey development with attic and mechanised car park	Freehold	3,626	9,013	100%	100%	Completed					
Vibes@East Coast 308 Telok Kurau Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and communal facilities	Freehold	2,413	7,125	100%	66%	Completed					
Oxley Edge 308 River Valley Road, Singapore	4-storey development with attic, mechanised car park, and swimming pool	Freehold	1,121	3,226	95% ^(c)	100%	2016					
Vibes@Kovan 93 Kovan Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and communal facilities	Freehold	723	2,157	100%	100%	Completed					
The Promenade @ Pelikat 183 Jalan Pelikat, Singapore	3-storey development with attic and 3 levels of basement, swimming pool, carpark and communal facilities	Freehold	6,462	19,471	100%	90%	Completed					

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

41. Listing of and information on development properties (cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2016	Interest Held by the Group	Expected Completion Date ^(h)					
			Land Area	Gross Floor Area								
<u>Singapore (cont'd)</u>												
<u>Mixed developments (cont'd)</u>												
Floraview, Floravista and Floraville	4-storey shop flat with attic, shops / restaurant, basement	Freehold	8,249	12,434	38% / 25%	55%	2017					
1,3,5,7 Ang Mo Kio Street 66 / 2 Cactus Road	carpark, residential flats and ancillary facilities											
	And											
	4-storey apartment with attic, basement car park and ancillary facilities											
NEWest	12-storey shop flat development with shops, residential flats, car park and ancillary facilities	956-year leasehold from 27 May 1928	15,298	25,149	99% ^(c)	55%	2016					
1 & 3 West Coast Drive												
339, 339A, 339B, 339C Joo Chiat Road, Singapore	5-storey development with residential flats, attic and commercial units	Freehold	593	897	84%	100%	2016					
KAP & KAP Residences	4/5-storey development with commercial podium, residential blocks and basement carparks	Freehold	5,535	17,161	84%	55%	2016					
9 & 11 King Albert Park, Singapore												
The Rise@Oxley	10-storey development with commercial podium, residential flats and basement carparks	Freehold	2,381	10,712	25%	100%	2017					
71 & 73 Oxley Rise Road, Singapore												

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

41. Listing of and information on development properties (cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2016	Interest Held by the Group	Expected Completion Date ^(h)					
			Land Area	Gross Floor Area								
<u>Singapore (cont'd)</u>												
<u>Residential developments</u>												
Vibes@Upper Serangoon 488 Upper Serangoon Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and gym	Freehold	997	3,052	100%	100%	Completed					
Presto@Upper Serangoon 528 Upper Serangoon Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and gym	Freehold	585	1,820	100%	100%	Completed					
Devonshire Residences 55 Devonshire Road, Singapore	25-storey development, mechanised car park, swimming pool and communal facilities	Freehold	1,245	3,835	100%	52%	Completed					
Suites@Braddell 56 Braddell Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and communal facilities	Freehold	1,108	1,552	100%	100%	Completed					

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

41. Listing of and information on development properties (cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2016	Interest Held by the Group	Expected Completion Date ^(h)					
			Land Area	Gross Floor Area								
<u>Singapore (cont'd)</u>												
<u>Industrial developments</u>												
Eco-tech@ Sunview 1 Sunview Road, Singapore	9-storey light industrial factory, carpark and ancillary facilities	30-year leasehold from 25 January 2013	28,173	70,432	100%	51%	Completed					
Oxley Bizhub 2 62 Ubi Road 1, Singapore	11-storey multiple-user development, car park and ancillary facilities	60-year leasehold from 10 June 2011	12,378	30,942	100%	55%	Completed					
<u>Commercial developments</u>												
Oxley Tower 138 Robinson Road, Singapore	32-storey development and car park	Freehold	1,490	16,839	75%	100%	2016					
Robinson Square 144 Robinson Road, Singapore	20-storey development and mechanised car park	Freehold	422	4,755	100%	100%	Completed					
The Flow 66 East Coast Road, Singapore	7-storey commercial development with basement and mechanised car park	Freehold	2,176	6,527	46%	100%	2016					
<u>Cambodia</u>												
<u>Mixed developments</u>												
The Garage ^(g) Street #84, Phum #13, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Cambodia	Mixed retail, hotel & residential development ^(a)	Freehold	8,921	— ^(a)	Has not commenced construction	79%	— ^(b)					

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

41. Listing of and information on development properties (cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2016	Interest Held by the Group	Expected Completion Date ^(h)					
			Land Area	Gross Floor Area								
<u>Cambodia (cont'd)</u>												
<u>Mixed developments</u>												
The Peak	Mixed retail, hotel, office	Freehold	12,609	208,750 ^(a)	4.6%	79%	2020					
Samdach Hun Sen Street	and residential development ^(a)											
Village 14, Sangkat Tonle Bassac, Khan Chamkamorn, Phnom Penh, Cambodia												
<u>Residential development</u>												
Riverside ^(g)	— ^(a)	Freehold	37,689	— ^(a)	Has not commenced construction	79%	— ^(b)					
National Road, No 1, Kdey Tokoy Village, Veal Sbov Commune, Khan Mean Chey, Phnom Penh, Cambodia												
<u>Malaysia</u>												
<u>Mixed developments</u>												
Oxley Towers Kuala Lumpur City Centre	Mixed retail, hotel, office and residential development ^(a)	Freehold	12,575	175,980 ^(a)	Has not commenced construction	100%	— ^(b)					
Lot 99, Section 0058 Mukim Bandar Kuala Lumpur, Daerah Kuala Lumpur, Malaysia												
Pepper Hill ^(g)	— ^(a)	Freehold	119,876	— ^(a)	Has not commenced construction	100%	— ^(b)					
Penang Mukim 18, Daerah Timor Laut, Penang, Malaysia												
Medini ^(g)	— ^(a)	99 years + 30 years extension	17,280	— ^(a)	Has not commenced construction	100%	— ^(b)					
Plot B3 & B5 Iskandar, Johor, Malaysia												

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

41. Listing of and information on development properties (cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2016	Interest Held by the Group	Expected Completion Date ^(h)					
			Land Area	Gross Floor Area								
<u>Malaysia (cont'd)</u>												
<u>Mixed developments (cont'd)</u>												
Section 16 ^(g)	— ^(a)	Freehold	20,234	— ^(a)	Has not commenced construction	100%	— ^(b)					
Lot 904, Bt 6 Jalan Damansara, Mukim Sungai Bulah, Daerah Petaling, Negeri Selangor, Malaysia												
<u>Ireland</u>												
<u>Mixed development</u>												
Dublin Landings	Commercial and residential development	Leasehold	7,419	34,886	Has not commenced construction	100%	2020					
North Wall Quay												
Dublin 1												
<u>London</u>												
<u>Mixed development</u>												
Royal Wharf	Township development	Freehold & Leasehold	149,734	363,000	9.5% ^(d) 1% ^(e) 0% ^(f)	100%	2017 ^(d) 2018 ^(e) 2020 ^(f)					
North Woolwich												
Road, London, United Kingdom												

^(a) The plans for these projects are subject to modification.

^(b) These projects are yet to be launched.

^(c) The projects achieved TOP subsequent to the end of the reporting year 2016.

^(d) The target completion date and percentage of completion is for Royal Wharf Phase 1, which was launched in March 2014.

^(e) The target completion date and percentage of completion is for Royal Wharf Phase 2, which was launched in September 2014.

^(f) The target completion date and percentage of completion is for Royal Wharf Phase 3, which was launched in February 2016.

^(g) Project names are for illustrative purpose only.

^(h) The expected completion date refers to calendar year..

STATISTICS OF SHAREHOLDINGS

AS AT 21 SEPTEMBER 2016

Issued and paid-up capital	:	\$166,258,989
Number of shares	:	2,948,219,971
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company holds 21,145,400 issued shares as treasury shares (excluding 300,000 issued shares which have been purchased by the Company but not settled as at 21 September 2016). The treasury shares constitutes 0.72% of the total number of issued shares (excluding treasury shares) of the Company.

Distribution of Shareholdings

(As recorded in the Register of Members and Depository Register as at 21 September 2016)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 – 99	21	1.25	369	0.00
100 – 1,000	51	3.04	37,112	0.00
1,001 – 10,000	575	34.33	4,236,360	0.15
10,001 – 1,000,000	985	58.81	77,563,107	2.65
1,000,001 and above	43	2.57	2,845,237,623	97.20
Total	1,675	100.00	2,927,074,571	100.00

The above shareholdings do not include 21,145,400 treasury shares held by the Company.

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders as at 21 September 2016)

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Ching Chiat Kwong ⁽¹⁾	1,259,087,510	43.02	–	–
Low See Ching (Liu Shijin) ⁽¹⁾	845,337,191	28.88	–	–
Tee Wee Sien (Zheng Weixian)	355,983,464	12.16	–	–

Notes:

⁽¹⁾ Ching Chiat Kwong and Low See Ching (Liu Shijin) are deemed to be parties acting in concert with each other with respect to the Company pursuant to a concert parties agreement dated 18 November 2011.

⁽²⁾ The percentages of issued share capital are calculated based on 2,927,074,571 issued shares (excluding treasury shares) in the capital of the Company as at 21 September 2016.

STATISTICS OF SHAREHOLDINGS

AS AT 21 SEPTEMBER 2016

Twenty Largest Shareholders

(As at 21 September 2016)

No.	Name	No. of Shares	%
1	CHING CHIAT KWONG	515,801,600	17.62
2	CITIBANK NOMINEES SINGAPORE PTE LTD	480,673,835	16.42
3	LOW SEE CHING (LIU SHIJIN)	325,037,191	11.10
4	DBS NOMINEES (PRIVATE) LIMITED	322,993,200	11.03
5	RAFFLES NOMINEES (PTE) LIMITED	231,205,156	7.90
6	HONG LEONG FINANCE NOMINEES PTE LTD	220,743,500	7.54
7	DB NOMINEES (SINGAPORE) PTE LTD	194,090,200	6.63
8	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	192,303,000	6.57
9	TEE WEE SIEN (ZHENG WEIXIAN)	65,803,464	2.25
10	OCBC SECURITIES PRIVATE LIMITED	62,596,550	2.14
11	TAN YONG HOA	40,795,108	1.39
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	40,528,414	1.38
13	CHAN YEOK PHENG	23,339,000	0.80
14	MAYBANK KIM ENG SECURITIES PTE. LTD.	23,149,600	0.79
15	UOB KAY HIAN PRIVATE LIMITED	21,774,677	0.74
16	CIMB SECURITIES (SINGAPORE) PTE. LTD.	10,869,427	0.37
17	LIAN BEE METAL PTE LTD	10,755,098	0.37
18	PHILLIP SECURITIES PTE LTD	8,351,723	0.29
19	TAY HIN NGAN (ZHENG XINYAN)	6,295,700	0.22
20	YAP BOH SIM	4,800,000	0.16
Total		2,801,906,443	95.71

Shares Held By Public

Based on the information provided to the Company as at 21 September 2016, approximately 15.44% of the issued ordinary shares (excluding treasury shares) of the Company was held in the hands of the public as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited. Accordingly, Rule 723 of the Listing Manual has been complied with.

APPENDIX I

12 October 2016

This Appendix is circulated to shareholders of Oxley Holdings Limited (the “**Company**”) together with the Company’s Annual Report. Its purpose is to explain to shareholders the rationale and provide information to shareholders for the proposed renewal of the Shareholders’ Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting of the Company to be held on Friday, 28 October 2016 at 10.00 am at the Albatross Room (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932.

The Notice of Annual General Meeting is enclosed with the Annual Report.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your broker, bank manager, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company, you should immediately forward this Appendix, together with the Company’s Annual Report, the Notice of Annual General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Appendix.

OXLEY HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201005612G)

APPENDIX
IN RELATION TO
THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ MANDATE
FOR INTERESTED PERSON TRANSACTIONS

APPENDIX I

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

Companies within our Group

"Company" or "Oxley Holdings"	:	Oxley Holdings Limited
"Group"	:	The Company and its subsidiaries

Other Companies and Organisations

"Oxley Construction" or "Mandated Interested Person"	:	Oxley Construction Pte Ltd
"SGX-ST"	:	Singapore Exchange Securities Trading Limited

General

"Act" or "Companies Act"	:	The Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
"AGM"	:	Annual general meeting to be held on Friday, 28 October 2016 at 10.00 am at the Albatross Room (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932
"Associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:- (i) his immediate family (being his spouse, child, adopted child, step-child, sibling and parent); (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Audit Committee"	:	The audit committee of the Company

APPENDIX I

"Controlling Shareholder"	: A person who:-
	(a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company; or
	(c) in fact exercises control over the Company
"Directors"	: The directors of the Company
"Latest Practicable Date"	: 21 September 2016, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	: The Listing Manual of the SGX-ST, as may be amended, varied or supplemented from time to time
"Shareholders"	: Registered holders of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares mean the Depositors whose Securities Accounts are credited with Shares
"Shareholders' Mandate"	: The general mandate approved by Shareholders for the Group to enter into certain transactions with the Mandated Interested Person in compliance with Chapter 9 of the Listing Manual, as further described in this Appendix
"Shares"	: Ordinary shares in the capital of the Company
"Substantial Shareholder"	: A person who has an interest in voting shares of the Company the total votes attached to which is not less than 5% of the total votes attached to all the voting shares in the Company

Currencies, Units and Others

"S\$" or "\$" and "cents"	: Singapore dollars and cents, respectively
---------------------------	---

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 (as amended or modified from time to time).

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Act, any statutory modification thereof, and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Act, such statutory modification thereof, as the case may be.

APPENDIX I

1. INTRODUCTION

The Company anticipates that the Group would, in the ordinary course of business, enter into transactions including but not limited to the transactions set out in this Appendix with persons which are considered "interested persons" as defined in Chapter 9 of the Listing Manual. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

Under Chapter 9 of the Listing Manual, a listed company may seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses.

Due to the time-sensitive nature of commercial transactions, such a mandate will enable the Group, in the normal course of business, to enter into certain categories of interested person transactions with certain categories of interested persons, as set out below, provided that such interested person transactions are made on an arm's length basis and on normal commercial terms.

At the last annual general meeting held on 28 October 2015, the Shareholders approved the renewal of the Shareholders' Mandate (as described below). The Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company. Accordingly, the Directors propose that the Shareholders' Mandate be renewed at the AGM to be held on 28 October 2016, to take effect until the next annual general meeting of the Company.

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval at the AGM to renew the Shareholders' Mandate.

2. RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Categories of interested persons

The Shareholders' Mandate will apply to the Group's transactions with the Mandated Interested Person, namely Oxley Construction.

Oxley Construction is a company incorporated in May 1995 and is primarily engaged in building construction. The sole director and shareholder of Oxley Construction is Mr Ching Chiat Kwong, the Executive Chairman and Chief Executive Officer, as well as Controlling Shareholder, of the Company.

2.2 Categories of interested person transaction and the benefits derived from such transactions

The transactions with the Mandated Interested Person relate to the provision of building and construction services by the Mandated Interested Person in the ordinary course of business to the Group. The Directors believe that it is beneficial to the Group to engage the Mandated Interested Person for the construction of the Group's property projects as long as such transactions are made on prices and terms not less favourable than those offered to the Group by unrelated parties.

APPENDIX I

The Mandated Interested Person has been providing building and construction services to previous property development projects undertaken by Mr Ching Chiat Kwong, the Executive Chairman and Chief Executive Officer of the Company. The Mandated Interested Person has also been providing building and construction services to the Group since the listing of the Company. The Mandated Interested Person is thus familiar with the requirements and specifications, in terms of material quality, workmanship, timeline and other deliverables, demanded by the Group. As such, less time and resource will be spent on additional quality checks, unnecessary rectification works and supervision to ensure that work is done to the Group's satisfaction and project timelines are adhered to. Based on the foregoing, the Directors are of the view that it will be beneficial to the Group to continue to engage the services of the Mandated Interested Person in the future, subject to the review procedures under the Shareholders' Mandate.

Transactions with interested persons that do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

2.3 Rationale for and benefits of the Shareholders' Mandate

The Shareholders' Mandate and the renewal of the Shareholders' Mandate on an annual basis will eliminate the need to convene general meetings from time to time to seek Shareholders' approval as and when potential transactions with the Mandated Interested Persons arise, thereby eliminating the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The Shareholders' Mandate is intended to facilitate recurrent transactions of a revenue or trading nature or those necessary for day-to-day operations, provided that they are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Disclosure will be made in the Company's annual report of the aggregate value of interested person transactions conducted pursuant to the Shareholders' Mandate during the financial year. In addition, the Company will announce the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the relevant financial period within the required time frame stipulated in the Listing Manual.

2.4 Guidelines and review procedures under Shareholders' Mandate

Prior to engaging the services of the Mandated Interested Person, at least two other quotes or bids from unrelated parties shall be obtained for similar building and construction services for comparison purposes. If the construction contract is to be awarded to the Mandated Interested Person, the contract sum shall not be less favourable than the most competitive quote offered and the credentials of the Mandated Interested Person shall also be supported by a recommendation from an architect. In addition, the material terms (in respect of the total amount of the contract sum) offered by the Mandated Interested Person shall also not be less favourable than those offered by the unrelated parties. In the event that certain material terms are not directly comparable to the other quotes or bids from unrelated parties (for example, differences arising from classification of work to be performed), a Director or the Financial Controller, who shall not have an interest in such transaction, will determine whether the terms offered by the Mandated Interested Person are fair and reasonable. In reviewing the contract sum and terms, all pertinent factors, including but not limited to quality, specifications and requirements, duration of contracts, credit terms, delivery arrangement and track record will be taken into consideration.

The Group has implemented the aforesaid procedures to supplement existing internal control procedures to ensure that interested person transactions are undertaken on an arm's length basis and on normal commercial terms consistent with usual business practice and policies and are not more favourable to the interested person than those extended to unrelated parties.

APPENDIX I

In addition, to supplement internal procedures to ensure that all interested person transactions covered by the Shareholders' Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the following approval limits for the interested person transactions will be applied:-

- (a) where an individual transaction is below \$250,000, such transaction will be subject to review and prior approval by the Financial Controller, who shall not have an interest in such transaction;
- (b) where an individual transaction is equal to or in excess of \$250,000, such transaction will be subject to review and prior approval by the Audit Committee; and
- (c) where the aggregate value of all transactions with the Mandated Interested Person in the same financial year is equal to or in excess of 5% of the Group's latest audited net tangible assets, all transactions comprising such an amount will be reviewed by the Audit Committee to ensure that they are carried out on normal commercial terms and in accordance with the procedures set out in the Shareholders' Mandate. All transactions which have been reviewed and approved by the Audit Committee will be excluded from the aggregation of transactions for the purpose of such review.

A register will be maintained by the Company to record all interested person transactions (including the dates, terms and basis on which such transactions are entered into) which are entered into pursuant to the Shareholders' Mandate and the approval or review by the Audit Committee or Financial Controller, as the case may be. In the event that the Financial Controller or any member of the Audit Committee (where applicable) is interested in any interested person transaction, he will abstain from reviewing and/or approving that particular transaction.

The Company shall, on a quarterly basis, report to the Audit Committee on all interested person transactions, and the basis of such transactions, entered into with the Mandated Interested Person during the preceding quarter. The Audit Committee shall review such interested person transactions to ensure that they are carried out at arm's length and on normal commercial terms, at its quarterly meetings except where such interested person transactions are required under the review procedures to be reviewed and approved by the Audit Committee prior to the entry thereof.

The Audit Committee shall review from time to time such guidelines and procedures to determine if they continue to be adequate and/or commercially practicable in ensuring that transactions between the Mandated Interested Person and the Group are conducted on an arm's length basis and on normal commercial terms.

The Audit Committee will also carry out periodic reviews (not less than twice in a financial year) to ensure that the established guidelines and procedures for interested person transactions have been complied with and the relevant approvals obtained. The Audit Committee may also engage external parties to carry out such periodic reviews if deemed necessary or appropriate. Further, if during these periodic reviews, the Audit Committee is of the view that the above guidelines and procedures are not sufficient to ensure that these interested person transactions will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to the Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Mandated Interested Person. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with the Mandated Interested Person will be subject to prior review and approval by the Audit Committee.

APPENDIX I

3. AUDIT COMMITTEE'S STATEMENT

The Audit Committee (currently comprising Mr Ng Weng Sui Harry, Mr Phua Sian Chin and Mr Lim Yeow Hua @ Lim You Qin) has reviewed the terms of the Shareholders' Mandate and confirms that the method and procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the last Shareholders' approval on 28 October 2015 and that such methods and procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in Shares as at the Latest Practicable Date, as recorded in the Register of Director's Shareholdings and the Register of Substantial Shareholders kept by the Company, are set out below:-

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	%
Directors				
Ching Chiat Kwong	1,259,087,510	43.02	—	—
Low See Ching	845,337,191	28.88	—	—
Ng Weng Sui Harry	350,000	0.01	—	—
Phua Sian Chin	—	—	—	—
Lim Yeow Hua @ Lim You Qin	—	—	—	—
Substantial Shareholders (other than Directors)				
Tee Wee Sien	355,983,464	12.16	—	—

Note:

⁽¹⁾ Percentage computed based on the total number of issued Shares excluding treasury shares of the Company, being 2,927,074,571 Shares, as at the Latest Practicable Date.

5. DIRECTORS' RECOMMENDATION

Having fully considered the rationale set out in this Appendix, the Directors who are considered independent for the purposes of the proposed renewal of the Shareholders' Mandate, namely Mr Low See Ching, Mr Ng Weng Sui Harry, Mr Phua Sian Chin and Mr Lim Yeow Hua @ Lim You Qin, believe that the Shareholders' Mandate is in the interest of the Company and recommend that Shareholders vote in favour of the resolution to approve the same as set out in the Notice of AGM.

In view that the Mandated Interested Person is an Associate of Mr Ching Chiat Kwong, the Executive Chairman and Chief Executive Officer, as well as Controlling Shareholder, of the Company, Mr Ching will abstain from voting on the resolution pertaining to the renewal of the Shareholders' Mandate at the AGM and will also undertake to ensure that his Associates will abstain from voting on the same.

APPENDIX I

6. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report 2016 of the Company, will be held on Friday, 28 October 2016 at 10.00 am at the Albatross Room (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932, for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution relating to the renewal of the Shareholders' Mandate as set out in the Notice of AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to the Annual Report in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 50 Raffles Place #11-02 Singapore Land Tower Singapore 048623 not less than 48 hours before the time fixed for the AGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the AGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the renewal of the Shareholders' Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

APPENDIX II

12 October 2016

This Appendix is circulated to shareholders of Oxley Holdings Limited (the “**Company**”) together with the Company’s Annual Report. Its purpose is to explain to shareholders the rationale and provide information to shareholders for the proposed renewal of the Shareholders’ Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting of the Company to be held on Friday, 28 October 2016 at 10.00 am at the Albatross Room (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932.

The Notice of Annual General Meeting is enclosed with the Annual Report.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your broker, bank manager, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company, you should immediately forward this Appendix, together with the Company’s Annual Report, the Notice of Annual General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Appendix.

OXLEY HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201005612G)

APPENDIX

IN RELATION TO

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

APPENDIX II

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

"AGM"	: Annual general meeting to be held on Friday, 28 October 2016 at 10.00 am at the Albatross Room (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932
"Board"	: The board of Directors of the Company for the time being
"CDP"	: The Central Depository (Pte) Limited
"CEO"	: Chief executive officer
"Companies Act"	: The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time
"Company"	: Oxley Holdings Limited
"Director"	: A director of the Company for the time being
"FY"	: Financial year ended, or as the case may be, ending 30 June
"Group"	: The Company and its subsidiaries
"Latest Practicable Date"	: 21 September 2016, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	: The Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
"Market Day"	: A day on which the SGX-ST is open for trading in securities
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Share Purchase Mandate"	: The general mandate given by Shareholders to authorise the Directors to purchase Shares on behalf of the Company in accordance with the terms set out in this Appendix and the rules and regulations set forth in the Companies Act and the Listing Manual
"Shareholders"	: Registered holders of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Shares
"Shares"	: Ordinary shares in the capital of the Company
"SIC"	: The Securities Industry Council of Singapore
"Take-over Code"	: The Singapore Code on Take-overs and Mergers, as amended, supplemented or modified from time to time

APPENDIX II

" treasury shares "	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company
"\$" and "cents"	:	Singapore dollars and cents respectively
"%" or "percent"	:	Percentage or per centum

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 (as amended or modified from time to time).

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the sum of listed amounts and the totals thereof shown are due to rounding.

APPENDIX II

1. INTRODUCTION

Shareholders had approved the Share Purchase Mandate at the extraordinary general meeting held on 28 October 2015 to enable the Company to purchase or otherwise acquire issued Shares. The authority conferred on the Directors under the current Share Purchase Mandate will expire at the AGM to be held on 28 October 2016.

Accordingly, the Directors propose to seek the approval of Shareholders for the renewal of the Share Purchase Mandate. The purpose of this Appendix is to provide Shareholders with information in relation to the proposed renewal of the Share Purchase Mandate.

2. RATIONALE FOR THE SHARE PURCHASE MANDATE

The rationale for the Share Purchase Mandate includes the following:

- (a) The Share Purchase Mandate would give the Company the flexibility to undertake purchases of its Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. Share purchases provide the Company with a mechanism to return surplus cash over and above its ordinary capital requirements and investment needs to its Shareholders in an expedient and cost-efficient manner.
- (b) The Share Purchase Mandate will allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves, with a view to enhancing the net tangible assets and/or earnings per Share.
- (c) The purchase or acquisition of Shares under the Share Purchase Mandate will help to mitigate short-term share price volatility by stabilising the supply and demand of issued Shares and offset the effects of short-term share price speculation, thereby supporting the fundamental value of the issued Shares and bolstering Shareholders' confidence.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 5% limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity of Shares or the financial condition of the Company and the Group or result in the Company being delisted. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

APPENDIX II

3. AUTHORITY AND LIMITS OF THE SHARE PURCHASE MANDATE

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, if renewed at the AGM, are summarised below:-

(a) Maximum Number of Shares

The Company may purchase only Shares, which are issued and fully paid-up. The total number of Shares that may be purchased is limited to that number of Shares representing not more than 5% of the issued Shares (excluding any treasury shares held by the Company) as at the date of the AGM at which the resolution renewing the Share Purchase Mandate is passed (the "**Approval Date**"), unless the Company has thereafter, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding any treasury shares held by the Company). **"Relevant Period"** means the period commencing from the date on which the Share Purchase Mandate is renewed and expiring on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier.

For illustrative purposes only, based on the issued share capital of the Company as at the Latest Practicable Date of 2,927,074,571 Shares (excluding 21,145,400 treasury shares held by the Company), and assuming that the number of issued Shares (excluding treasury shares) of the Company remains unchanged up to the date of the AGM, not more than 146,353,728 Shares, representing 5% of the issued Shares (excluding treasury shares) as at that date, may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

(b) Duration of Authority

Purchases of Shares may be made, at any time and from time to time, from the Approval Date up to the earliest of:-

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by an ordinary resolution of Shareholders in general meeting.

(c) Manner of Purchase

Purchases of Shares may be made on the SGX-ST ("**Market Purchases**") and/or otherwise than on the SGX-ST, in accordance with an equal access scheme (as defined in Section 76C(6) of the Companies Act) ("**Off-Market Purchases**").

Market Purchases refer to purchases of Shares by the Company effected on the SGX-ST through one or more duly licensed stockbrokers appointed by the Company for the purpose.

APPENDIX II

Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:-

- (i) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:-
 - (aa) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information:-

- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed share purchase;
 - (iv) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (v) whether the share purchase, if made, could affect the listing of the Shares on the SGX-ST;
 - (vi) details of any share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.
- (d) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

APPENDIX II

However, the purchase price must not exceed:-

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below),
(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

For the above purposes:-

"Average Closing Price" means the average of the closing market prices of a Share over the last five Market Days on which transactions in Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-day market period; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES

Any Share which is purchased by the Company is deemed cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as a treasury share.

(a) Cancelled Shares

Where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (i) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

APPENDIX II

(b) Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. According to the key provisions on treasury shares under the Companies Act:

(i) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(ii) Voting and other Rights

The Company will not have the right to attend or vote at meetings and/or to receive any dividends in respect of treasury shares. However, the allotment of treasury shares as fully paid bonus shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) Disposal and Cancellation

The Company may dispose of treasury shares at any time in the following ways:

(aa) selling the treasury shares for cash;

(bb) transferring the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(cc) transferring the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(dd) cancelling the treasury shares; or

(ee) selling, transferring or otherwise using the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

5. SOURCE OF FUNDS

The Companies Act permits the Company to purchase its Shares out of capital or profits so long as the Company is solvent. For this purpose, the Company is solvent if at the date of the payment for the Shares, the following conditions are satisfied:-

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

APPENDIX II

- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings, to finance purchases of its Shares.

6. FINANCIAL EFFECTS

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the net tangible asset value and earnings per Share as the resultant effect would depend on factors such as the aggregate numbers of Shares purchased, the purchase prices paid at the relevant times, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition, how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act, and the amounts (if any) borrowed by the Company to fund the purchases.

Where the purchase of Shares is made out of distributable profits, such purchase (including costs incidental to the purchase) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company, and a decline in the current ratios and shareholders' funds of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

For illustrative purposes only and on the basis of the following assumptions:-

- (i) that the purchase or acquisition by the Company of 146,353,728 Shares, representing 5% of its issued Shares (excluding treasury shares) as at the Latest Practicable Date, was made on 30 June 2016;
- (ii) that, in the case of Market Purchases, the Company purchased or acquired Shares at the Maximum Price of \$0.4442 for each Share (being 105% of the Average Closing Price as at 30 June 2016), and, in the case of Off-Market Purchases, the Company purchased or acquired Shares at the Maximum Price of \$0.5076 for each Share (being 120% of the Average Closing Price as at 30 June 2016);
- (iii) that the purchase or acquisition of Shares by the Company, which required funds amounting to, in the case of Market Purchases, \$65,003,008.29, and in the case of Off-Market Purchases, \$74,289,152.33, was financed entirely using its internal sources of funds; and
- (iv) that the purchase or acquisition of Shares was made entirely out of profits and the Shares were held as treasury shares after the purchase or acquisition,

APPENDIX II

The financial effects of Share purchases by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 30 June 2016 ("FY2016"), are set out below.

Scenario 1

Market Purchases of 146,353,728 Shares made entirely out of profits and held as treasury shares

	Group	Company		
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
As at 30 June 2016				
Share capital	163,880	163,880	163,880	163,880
Foreign exchange translation	(28,523)	(28,523)	–	–
Retained earnings	502,959	502,959	119,657	119,657
Treasury shares	(7,855)	(72,858)	(7,855)	(72,858)
Asset revaluation reserve	154,202	154,202	–	–
Shareholders' funds	784,663	719,660	275,682	210,679
Net tangible assets	965,220	900,217	275,682	210,679
Current assets	3,392,330	3,327,327	987,479	922,476
Current liabilities	2,406,202	2,406,202	1,257,409	1,257,409
Working capital	986,128	921,125	(269,930)	(334,933)
Total liabilities	3,767,275	3,767,275	1,365,960	1,365,960
Cash and cash equivalents	551,253	486,250	86,846	21,843
Number of Shares ('000)	2,928,631	2,782,277	2,928,631	2,782,277
Financial Ratios				
Net tangible assets per Share ⁽¹⁾ (cents)	26.79	25.87	9.41	7.57
Earnings per Share (cents)	7.03	7.40	1.06	1.12
Gearing ratio ⁽²⁾ (times)	3.36	3.66	1.82	2.38
Current ratio ⁽³⁾ (times)	1.41	1.38	0.79	0.73

Notes:-

⁽¹⁾ Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares.

⁽²⁾ Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).

⁽³⁾ Current ratio equals current assets divided by current liabilities.

APPENDIX II

Scenario 2

Off-Market Purchases of 146,353,728 Shares made entirely out of profits and held as treasury shares

	Group	Company		
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
As at 30 June 2016				
Share capital	163,880	163,880	163,880	163,880
Foreign exchange translation	(28,523)	(28,523)	–	–
Retained earnings	502,959	502,959	119,657	119,657
Treasury shares	(7,855)	(82,144)	(7,855)	(82,144)
Asset revaluation reserve	154,202	154,202	–	–
Shareholders' funds	784,663	710,374	275,682	201,393
Net tangible assets	965,220	890,931	275,682	201,393
Current assets	3,392,330	3,318,041	987,479	913,190
Current liabilities	2,406,202	2,406,202	1,257,409	1,257,409
Working capital	986,128	911,839	(269,930)	(344,219)
Total liabilities	3,767,275	3,767,275	1,365,960	1,365,960
Cash and cash equivalents	551,253	476,964	86,846	12,557
Number of Shares ('000)	2,928,631	2,782,277	2,928,631	2,782,277
Financial Ratios				
Net tangible assets per Share ⁽¹⁾ (cents)	26.79	25.53	9.41	7.24
Earnings per Share (cents)	7.03	7.40	1.06	1.12
Gearing ratio ⁽²⁾ (times)	3.36	3.71	1.82	2.49
Current ratio ⁽³⁾ (times)	1.41	1.38	0.79	0.73

Notes:-

- ⁽¹⁾ Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares.
- ⁽²⁾ Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- ⁽³⁾ Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out in this Section 6 are purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical FY2016 numbers and are in no way indicative of the Company's real financial position or a forecast of the Company's financial figures.

The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase before execution.

APPENDIX II

7. LISTING RULES

Under the Listing Manual, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than 5% above the average of the closing market prices of the shares over the last five Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs after the relevant five-day period. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 3(d) above, conforms to this restriction.

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchases of the shares, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, and the cumulative number of shares purchased. Such announcement will be made in the form prescribed by the Listing Manual.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Listing Manual on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of two weeks immediately preceding the announcement of the Company's quarterly results or one month immediately preceding the announcement of the Company's full-year results, as the case may be, and ending on the date of announcement of the relevant results.

8. LISTING STATUS ON THE SGX-ST

The Company is required under Rule 723 of the SGX-ST Listing Manual to ensure that at least 10% of its issued Shares (excluding treasury shares) are in the hands of the public. The "**public**", as defined in the Listing Manual, are persons other than the Directors, CEO, substantial shareholders and controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there were approximately 452,037,308 issued Shares in the hands of the public (as defined above), representing 15.44% of the total number of issued Shares (excluding treasury shares) of the Company. Assuming that the Company purchases its Shares through Market Purchases up to the full 5% limit pursuant to the Share Purchase Mandate and holds the purchased Shares as treasury shares, the number of issued Shares in the hands of the public would be reduced to 305,683,580 Shares, representing 10.99% of the total number of issued Shares (excluding treasury shares) of the Company. As at the Latest Practicable Date, the Company held 21,145,400 treasury shares.

Under the Companies Act, in the event that the number of Shares held as treasury shares by the Company at any time exceeds 10% of the total number of issued Shares at that time, the Company shall dispose of or cancel the excess treasury shares within 6 months.

APPENDIX II

In view of the foregoing, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 5% limit pursuant to the Share Purchase Mandate without:-

- (i) affecting adversely the listing status of the Shares on the SGX-ST;
- (ii) causing market illiquidity; or
- (iii) affecting adversely the orderly trading of Shares.

9. TAX IMPLICATIONS

When a company purchases its own shares using its distributed profits or contributed capital, it will be regarded as any other disposal of shares by the shareholders from whom the shares are acquired.

For income tax purposes, whether or not the proceeds received by the Shareholders are taxable in the hands of the Shareholders who sell their Shares to the Company for which the purchases were made out of distributed profits or contributed capital will depend on whether such proceeds are receipts of an income or capital nature.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

10. IMPLICATIONS OF TAKE-OVER CODE

(a) Obligation to Make a Take-over Offer

If as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change in control, or as a result of such increase a Shareholder or group of Shareholders acting in concert obtain or consolidate control, it may in certain circumstances give rise to an obligation on the part of such Shareholder or Shareholders to make a take-over offer under Rule 14 of the Take-over Code.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase of Shares by the Company are set out in Appendix 2 ("TOC Appendix 2") of the Take-over Code.

In relation to Directors and persons acting in concert with them, Rule 14 provides that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase of Shares by the Company:-

- (i) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or
- (ii) if they together hold between 30% and 50% of the Company's voting rights, their voting rights increase by more than 1% in any period of six months.

APPENDIX II

Under TOC Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

(b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert: (i) a company with any of its directors; and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of 20% or more of the equity share capital of a company will be regarded as the test of associated company status.

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

As at the Latest Practicable Date, Ching Chiat Kwong and Low See Ching, who are Directors of the Company and persons acting in concert with each other, collectively held approximately 71.90% of the voting rights in the Company. They would not be obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of any purchase of Shares by the Company under the Share Purchase Mandate.

Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

11. REPORTING REQUIREMENTS

Within 30 days of the passing of the Shareholders' resolution to renew the Share Purchase Mandate, the Directors shall lodge a copy of such resolution with the Registrar of Companies (the "**Registrar**").

The Directors shall lodge with the Registrar a notice of share purchase within 30 days of a share purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of the profits or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

APPENDIX II

12. SHARE PURCHASES IN THE PREVIOUS 12 MONTHS

21,145,400 Shares had been purchased by the Company in the 12 months preceding the Latest Practicable Date by way of Market Purchases at prices per Share ranging from \$0.397 to \$0.425, and the total consideration paid for the purchases (including brokerage and other charges) amounted to approximately \$8,843,783. These 21,145,400 Shares are held as treasury shares by the Company.

13. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the share capital of the Company as at the Latest Practicable Date, as recorded in the Register of Director's Shareholdings and the Register of Substantial Shareholders kept by the Company, are as follows:-

	Direct Interest Number of Shares	% ⁽¹⁾	Deemed Interest Number of Shares	%
Directors				
Ching Chiat Kwong	1,259,087,510	43.02	–	–
Low See Ching	845,337,191	28.88	–	–
Ng Weng Sui Harry	350,000	0.01	–	–
Phua Sian Chin	–	–	–	–
Lim Yeow Hua @ Lim You Qin	–	–	–	–
Substantial Shareholders (other than Directors)				
Tee Wee Sien	355,983,464	12.16	–	–

Note:

⁽¹⁾ Percentage computed based on the total number of issued Shares excluding treasury shares of the Company, being 2,927,074,571 Shares, as at the Latest Practicable Date.

14. DIRECTORS' RECOMMENDATION

Having fully considered the rationale for the renewal of the Share Purchase Mandate set out in this Appendix, the Directors believe that the renewal of the Share Purchase Mandate is in the best interest of the Company. The Directors recommend that Shareholders vote in favour of the resolution to approve the renewal of the Share Purchase Mandate to be proposed at the AGM.

15. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report 2016 of the Company, will be held on Friday, 28 October 2016 at 10.00 am at the Albatross Room (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932, for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution relating to the renewal of the Share Purchase Mandate as set out in the Notice of AGM.

APPENDIX II

16. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to the Annual Report in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 50 Raffles Place #11-02 Singapore Land Tower Singapore 048623 not less than 48 hours before the time fixed for the AGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the AGM.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

NOTICE OF ANNUAL GENERAL MEETING

Incorporated in the Republic of Singapore
(Company Registration No. 201005612G)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of OXLEY HOLDINGS LIMITED (the “**Company**”) will be held at the Albatross Room (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932 on Friday, 28 October 2016 at 10.00 am for the following purposes:-

AS ORDINARY BUSINESS

Resolution 1

1. To receive and adopt the audited financial statements for the financial year ended 30 June 2016, together with the Statement by Directors and Independent Auditors’ Report.

Resolution 2

2. To declare a final one-tier tax exempt dividend of S\$0.0025 per ordinary share for the financial year ended 30 June 2016. [FY2015: S\$0.0041]

Resolution 3

3. To re-elect Mr Ching Chiat Kwong who is retiring pursuant to Article 104 of the Company’s Articles of Association (the “**Articles**”) and who, being eligible, offers himself for re-election as a Director.

Resolution 4

4. To re-elect Mr Phua Sian Chin who is retiring pursuant to Article 104 of the Articles and who, being eligible, offers himself for re-election as a Director.

Mr Phua Sian Chin will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and the Board considers him to be independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Resolution 5

5. To approve the payment of Directors’ fees of S\$260,000 for the financial year ending 30 June 2017, to be paid quarterly in arrears. [FY2016: S\$260,000]

Resolution 6

6. To re-appoint RSM Chio Lim LLP as the Company’s Independent Auditors and to authorise the Directors to fix their remuneration.
7. To transact any other ordinary business that may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

Resolution 7

8. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:-

“Authority to allot and issue shares”

That pursuant to Section 161 of the Companies Act, Chapter 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:-

- (A) (i) allot and issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (B) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:-

- (1) the aggregate number of shares to be issued pursuant to this authority (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20% of the total number of Issued Shares;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued shares (excluding treasury shares) at the time this authority is given, after adjusting for:-
 - (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this authority is given, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (ii) any subsequent bonus issue, consolidation or sub-division of shares;
- (3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (i)]

NOTICE OF ANNUAL GENERAL MEETING

Resolution 8

9. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:-

"Renewal of mandate for interested person transactions

That approval be and is hereby given for the purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited for the renewal of the mandate (the "**Shareholders' Mandate**") for the Company and its subsidiaries to enter into any of the transactions falling within the types of interested person transactions as described in Appendix I to the Annual Report 2016 (the "**Appendix I**") with the interested person described in the Appendix I, provided that such transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders and in accordance with the guidelines and procedures as set out in the Appendix I and that the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this Resolution."

[See Explanatory Note (ii)]

Resolution 9

10. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:-

"Share purchase mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the "**Companies Act**"), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme as may be determined or formulated by the directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

- (b) the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or
 - (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;
- (c) in this Resolution:

"Prescribed Limit" means 5% of the total number of issued Shares (excluding any Shares which are held as treasury shares) of the Company as at the date of the passing of this Resolution, unless the Company has reduced its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding any Shares which are held as treasury shares);

"Relevant Period" means the period commencing from the date of the passing of this Resolution and expiring on the date on which the next annual general meeting of the Company is held or required by law to be held, whichever is the earlier; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase : 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase : 120% of the Average Closing Price,

where:

"Average Closing Price" is the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market Day" means a day on which the SGX-ST is open for trading in securities; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

[See Explanatory Note (iii)]

BY ORDER OF THE BOARD

OOI CHEE ENG
Company Secretary

Singapore
12 October 2016

Explanatory Notes:-

- (i) Ordinary Resolution 7, if passed, will empower the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% for issues other than on a pro-rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time Ordinary Resolution 7 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities, (b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time Ordinary Resolution 7 is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and (c) any subsequent bonus issue, consolidation or sub-division of shares. Such authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.
- (ii) Ordinary Resolution 8, if passed, will renew the shareholders' mandate for the Company and its subsidiaries to enter into certain transactions with an interested person (further details are set out in Appendix I to the Annual Report 2016). Such mandate will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.
- (iii) Ordinary Resolution 9 will renew the mandate to permit the Company to purchase or otherwise acquire its issued ordinary shares on the terms and subject to the conditions of the Resolution. Further details are set out in Appendix II to the Annual Report 2016.

NOTICE OF ANNUAL GENERAL MEETING

Notes:-

- (i) Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), a member of the Company entitled to attend and vote at the Annual General Meeting (the "**AGM**") may appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (ii) A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
- (iii) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
- (iv) If the member is a corporation, the instrument appointing the proxy must be executed under its common seal or signed by its duly authorised officer or attorney.
- (v) The duly executed instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 50 Raffles Place #11-02 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201005612G)

ANNUAL GENERAL MEETING **PROXY FORM**

IMPORTANT

For investors who have used their SRS monies to buy shares of Oxley Holdings Limited, this Proxy Form is not valid for use by such SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such SRS investors should contact their respective agent banks/SRS operators if they have any queries regarding their appointment as proxies.

I/We _____ (Name) (NRIC/Passport/Registration No.: _____)

of _____ (Address)

being a member/members of OXLEY HOLDINGS LIMITED (the "Company") hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

or failing the person or both of the persons above, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Annual General Meeting ("AGM") of the Company to be held at the Albatross Room (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932 on Friday, 28 October 2016 at 10.00 am, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	For	Against
Ordinary Business			
1.	Audited financial statements for financial year ended 30 June 2016		
2.	Payment of final one-tier tax exempt dividend		
3.	Re-election of Mr Ching Chiat Kwong as a Director		
4.	Re-election of Mr Phua Sian Chin as a Director		
5.	Payment of Directors' fees of S\$260,000 for financial year ending 30 June 2017		
6.	Re-appointment of RSM Chio Lim LLP as auditors		
Special Business			
7.	Authority to allot and issue shares		
8.	Renewal of mandate for interested person transactions		
9.	Renewal of share purchase mandate		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the resolution as set out in the Notice of AGM. Alternatively, if you wish to exercise your votes both for and against the resolution, please indicate the number of shares in the respective spaces provided.)

Dated this _____ day of _____ 2016

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:-

1. Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
3. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form.
4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
5. This proxy form duly executed must be deposited at the registered office of the Company at 50 Raffles Place #11-02 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time set for the AGM.
6. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of a duly authorised officer or attorney.
7. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
8. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 October 2016.

