



OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore under Registration No. 201005612G)

PROPOSED JOINT VENTURE WITH BEVERLY HEIGHTS PROPERTIES SDN BHD

Introduction

The Board of Directors (the "**Board**") of Oxley Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Group's wholly-owned subsidiary, Oxley Star Sdn. Bhd. ("**Oxley Star**"), has on 21 June 2013 entered into a joint venture agreement (the "**Agreement**") with Beverly Heights Properties Sdn Bhd ("**BHP**"), pursuant to which Oxley Star was granted the absolute, exclusive and irrevocable authority, power and right in, over and to the development of the land owned by BHP and held under Geran No. 62839 for Lot 3643 and Geran No. 44471 for Lot 2859, both of which are situated in Mukim 18, Daerah Timor Laut, Penang, Malaysia (collectively, the "**Land**").

Description of the Land

The Land has a freehold tenure and an aggregate area of approximately 119,876 square metres. Under the Agreement, Oxley Star shall carry out and complete the development on the Land through phased development, construction and building, *inter alia*, residential accommodation based on BHP's proposed plans (the "**Proposed Plans**"), which are subject to the approval of the relevant authorities (the "**Project**").

Key Terms of the Agreement

(i) *Entitlements of Oxley Star and BHP*

Oxley Star will be entitled to all income generated from the Project including 70% of the gross total sales of the built-up saleable area of the Land (the "**Oxley Entitlement**"). BHP will be entitled to 30% of the gross total sales of the built-up saleable area of the Land with a minimum entitlement of not less than RM500,000,000 and a maximum entitlement not exceeding RM900,000,000 (the "**BHP Entitlement**").

(ii) *Payment of BHP Entitlement*

A sum of RM10,000,000 has been paid by Oxley Star to BHP and is treated as part payment towards the BHP Entitlement. The balance of the BHP Entitlement will be paid as follows:-

- (a) the second payment of RM10,000,000 within three months from the date of the Agreement and subject to BHP having removed the existing lessees on the Land;
- (b) the third payment of RM10,000,000 within six months of the Agreement or within such other extended time as the parties shall mutually agree (which extension of time shall be granted after Oxley Star has shown proof of submission of the building plans) provided always that Oxley Star shall have received the approved building plans for the Project from the relevant authorities;
- (c) the fourth payment of RM20,000,000 upon the launch of the first phase of the Project, provided that BHP shall have first cleared the existing occupiers on the Land and provided Oxley Star with a minimum of five acres of the Land to enable Oxley Star to

carry out the first phase of the Project, which fourth payment shall be used towards redemption of the existing charge on the Land or if the charge has been discharged by that time, then the payment shall be made directly to BHP subject to BHP delivering evidence of the discharge of the charge and all other encumbrances of the chargee on the Land (if any); and

- (d) the remainder of the BHP Entitlement (less all sums and deductions duly authorised in the Agreement) upon the issuance of the certificate of fitness of occupation or the duly certified final progress claim or upon the closure of Oxley Star's housing development account for each phase of the development of the Project, as the parties shall mutually agree.

(iii) *Conditions Precedent*

The Agreement is conditional ("**Conditions Precedent**") upon:-

- (a) Oxley Star obtaining the approval from the relevant authorities to convert the Land (if any) to a category of land use suitable for the Project;
- (b) Oxley Star carrying out a complete search on the Land with the relevant authorities to enter, examine and inspect the Land, and to carry out all necessary surveys and tests (including soil tests) on the Land to confirm that Oxley Star can carry out the Project on the Land; and
- (c) the relevant authorities' approval for Oxley Star to deal with the Land and/or any interests therein as shall be required in law.

Oxley Star, with the assistance of BHP, shall endeavour to obtain the approvals to satisfy the Conditions Precedent within six months from the date of the Agreement or within such extended time the parties may agree from time to time.

If any of the Conditions Precedent under sub-paragraphs (a) and (b) above is not satisfied within the relevant period, then either party may terminate the Agreement whereupon BHP shall refund all monies paid by Oxley Star to BHP, together with all monies expended over the Land including but not limited to premiums paid towards the conversion of the Land (if any), within 14 days.

If the relevant authorities shall refuse to grant its approval under sub-paragraph (c) above, then Oxley Star and BHP shall carry on with the Agreement with Oxley Star's related company on the same terms and conditions and BHP agrees and covenants to execute such documents including but not limited to a novation with Oxley Star's related company.

(iv) *Covenant With Respect to Development Order and Building Plans*

With respect to the development order to be obtained from the relevant authorities and the approved building plans, Oxley Star and BHP have agreed, covenanted and undertaken with each other, *inter alia*, as follows:

- (a) The Agreement shall be conditional upon Oxley Star, with the assistance of BHP (if such assistance is required), obtaining approval from the relevant authorities for the construction and development of the Project on the Land as set out in the Proposed Plans;
- (b) that for so long as the development order and approved building plans do not make it impossible to fulfil or satisfy the density and/or plot ratio that is necessary to achieve the minimum BHP Entitlement of RM500,000,000 and/or the Oxley Entitlement, BHP and Oxley Star shall be deemed to have accepted the development order and approved building plans together with all conditions and/or requirements as may be imposed or required by the relevant authorities and proceed with the Agreement; and

- (c) in the event that the relevant authorities make the development order or approved building plans conditional upon or reduces the plot ratio and/or density as set out in the Proposed Plans or is subject to conditions or requirements that reduces the minimum BHP Entitlement of RM500,000,000 and/or the Oxley Entitlement, then BHP and Oxley Star shall within one month from the date of the development order or approved building plans deliberate to revise the parties' respective entitlements on such terms and conditions as the parties may mutually agree and finalise in writing.

(v) *Project Cost and Expense*

Save where specifically provided by the Agreement to be borne by BHP, Oxley Star shall bear all the cost and expense of carrying out and completing the Project, provided that Oxley Star is entitled to claim and set off such cost and expense from the proceeds of sale of units in the Project, without affecting the BHP Entitlement.

Financial Effect

The above joint venture is not expected to have a material impact on the earnings per share or net tangible assets per share of the Company for the current financial year ending 30 June 2013.

Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any interest, directly or indirectly, in the above joint venture, save through his shareholding in the Company (if any).

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
21 June 2013