



OXLEY HOLDINGS LIMITED

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

PROVISION OF CONSTRUCTION, MANAGEMENT AND CONSULTANCY SERVICES FOR A DEVELOPMENT PROJECT IN MYANMAR

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 Myanmar Pte. Ltd. ("**Oxley Myanmar**"), had on 18 September 2014 entered into a building construction, management and consultancy services agreement (the "**Agreement**") with U Yang Ho (the "**Land Owner**") pursuant to which Oxley Myanmar or its assignee shall provide construction, management and consultancy services to build a 20-storey mixed development (the "**Project**") at Plot no. (1-Ka[^] / 1 + 1/ Ka[^]), Residential Block No. Thamine, Block No (20), Mayangon Township, Yangon Region (the "**Land Plot**") which is owned by the Land Owner.

Information on the Project

The name of the Project shall be Min Residence, a 20-storey mixed property development (commercial and residential), located at the Land Plot which has an area of 3.185 acres.

Key Terms of the Agreement

(i) *Construction Cost and Land Cost*

The agreed construction cost (the "**Construction Cost**"), including all related consultancy and professional fees, shall be determined after the contracts have been awarded to the contractors and design consultants. The agreed land utilising cost is USD58.9 million (the "**Land Utilising Cost**").

(ii) *Investment Method*

The Land Owner shall contribute the Land Plot at the agreed Land Utilising Cost for the Project, while Oxley Myanmar shall be responsible for funding the Construction Cost of the Project.

(iii) *Project Duration*

The Project shall commence within seven days after the date on which all necessary approvals and permits for the Project have been obtained and shall end 36 months after commencement, subject to a further extension of 12 months, if necessary.

(iv) *Land Owner's Responsibilities*

The responsibilities of the Land Owner include:

- (a) obtaining the necessary building construction permit according to agreed drawings and obtaining approvals from the relevant regulatory departments, with the reasonable expenses borne by Oxley Myanmar;
- (b) paying the land rent fees according to the government regulation; and

- (c) promptly providing all requisite documents reasonably requested by Oxley Myanmar for the purpose of the Agreement.

(v) *Oxley Myanmar's Responsibilities*

The responsibilities of Oxley Myanmar include:

- (a) land clearing at the Land Plot;
- (b) procuring all construction works for the Project at its own expense;
- (c) assigning a consultant engineer for the works relating to the Project and appointing the architect and civil engineer who shall ensure that the construction rules and guidelines are complied with;
- (d) bearing all costs relating to the construction of the Project;
- (e) advising on all necessary marketing channels and materials (including show flat, marketing agent and marketing materials) so as to promote sales of the Project; and
- (f) conceptualising the design for the Project, with the assistance of consultants, and managing the development of the Project.

(vi) *Share of Expenditure, Benefits and Losses*

The proceeds from the sale of units in the Project (the "**Sale Proceeds**") shall be applied in the following sequence:

- (a) payment of the Land Utilising Cost to the Land Owner;
- (b) payment of the Construction Cost and other cost incurred by Oxley Myanmar to Oxley Myanmar;
- (c) payment of all government taxes and fees, including sales tax, income tax and licence fees;
- (d) payment of all other agreed expenses; and
- (e) the balance shall be shared equally between the Land Owner and Oxley Myanmar.

In the event that the Sale Proceeds are not sufficient to pay for the aforesaid costs and expenses, the shortfall shall be borne equally by the Land Owner and Oxley Myanmar.

(vii) *Corporate Guarantee*

Oxley Myanmar shall provide a corporate guarantee from the Company, for an amount equivalent to 20% of the Construction Cost.

(viii) *Condition Precedent*

The Agreement is conditional upon the receipt of all necessary and requisite approvals from all relevant government authorities in Republic of Union of Myanmar for the Project within 12 weeks of the signing of the Agreement, subject to such extension as the parties may agree. In the event that the aforesaid condition is not satisfied, the Agreement shall forthwith cease and the parties shall be released and discharged from their respective obligations under the Agreement.

Financial Effect

The Company's participation in the Project 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 2015.

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 transaction, save through his shareholding in the Company (if any).

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
20 September 2014