



OXLEY HOLDINGS LIMITED

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

PROPOSED ACQUISITION OF LAND IN MALAYSIA

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 offer granted by the Company's wholly-owned subsidiary, Oxley Malaysia Pte. Ltd. ("**Oxley Malaysia**"), to Teoh Chin Kee and Kah Lee Hwa (the "**Vendors**") to acquire the entire issued and paid-up share capital of TCK Capital Sdn. Bhd. ("**TCK**") for an aggregate purchase consideration of RM77,850,440 (the "**Acquisition**"), had been accepted by the Vendors on 23 May 2013 and duly stamped on 27 May 2013.

TCK is a company incorporated in Malaysia with an issued and paid-up share capital of RM10,000 comprising 10,000 ordinary shares of RM1 each, held by the Vendors in equal shares. TCK is to be acquired on the basis that it has not commenced any business activity since its incorporation.

Under a tender exercise carried out on 18 April 2011, the Ministry of Finance of Malaysia (the "**MOF**") had agreed to TCK's offer to purchase a piece of land held under PN No. Hakmilik 39183 for Lot 754, Seksyen 56, Bandar and Daerah Kuala Lumpur situated at Jalan Hang Tuah, Kuala Lumpur (the "**Land**"). In its letter of 2 November 2011, the MOF notified TCK that the Malaysian government had agreed to transfer the Land to TCK at the price of RM190,000,000 (the "**Land Price**") and a land sale agreement ("**Land Sale Agreement**") will be executed for this purpose.

Description of Land

The Land has a leasehold tenure of 99 years and an area of 4.73 acres that is zoned for mixed development. The Group intends to redevelop the Land, subject to obtaining all the necessary approvals from the relevant authorities.

Purchase Consideration of the Acquisition

The purchase consideration of RM77,850,440 was arrived at on a willing buyer-willing seller basis and taking into account that TCK shall successfully acquire the Land at the Land Price. No formal valuation has been conducted in respect of TCK or the Land at this juncture but the same will be carried out during the due diligence exercise.

A sum of RM8,000,000 (the "**Deposit**") has been paid upon the Vendors' acceptance of the offer for the Acquisition. The Deposit shall be refunded to Oxley Malaysia if the results of the due diligence exercise are not satisfactory or not acceptable to Oxley Malaysia for any reason whatsoever. The due diligence exercise shall be completed within one month from the next working day after the date of receipt of the Vendors' acceptance of the offer for the Acquisition.

The balance of the purchase consideration will be paid as follows:-

- (a) a sum of RM2,785,044 upon the parties executing a formal shares sale agreement (the "**Shares Sale Agreement**") and the Vendors transferring the shares in TCK to Oxley Malaysia or its nominee;
- (b) a sum of RM15,570,088 within seven working days from the execution of the Land Sale Agreement;

- (c) the balance sum of RM51,495,308 within seven working days from the Land Sale Agreement becoming unconditional, in the form of a corporate guarantee of the Company or bank guarantee/undertaking (or a combination of both) wherein the said sum shall be paid upon receipt of, *inter alia*, a copy of the title to the Land with the name of TCK duly endorsed as the registered proprietor.

Funding of the Acquisition and the Land Price

The purchase consideration for the Acquisition and the Land Price will be funded by internal resources and bank borrowings.

Key Terms of the Acquisition

In addition to the terms set out above, the key terms of the Acquisition include the following:-

- (i) the shares to be acquired in TCK shall be free from all indebtedness, legal, equitable and security interest and encumbrances whatsoever, including options, any prior right to acquire, claims, charges and/or third party rights or interests whatsoever as at the date of acquisition and as at the date of the completion of the sale and purchase of the shares;
- (ii) TCK has not commenced any business activities since its incorporation, has no employee, and has not entered into any contract, obligation, commitment, arrangement or transaction with any party, save as regards to the transaction relating to the Land; and
- (iii) the Vendors shall render all assistance as is necessary or as Oxley Malaysia or TCK may require so as to secure the execution and completion of the Land Sale Agreement, and in the event that the Land Sale Agreement could not be signed between TCK and the Federal Lands Commissioner for any reason whatsoever within six months from the date of the Shares Sale Agreement or such longer period as Oxley Malaysia may agree in writing, all moneys paid, except the Deposit, shall be refunded to Oxley Malaysia.

Financial Effects

The Group's proposed acquisition of TCK, a company with no business operations, is for the purpose of acquiring the Land, which TCK has the right to acquire. Hence, the acquisitions of TCK and the Land are transactions carried out in the ordinary course of the Group's business. The total consideration of RM267,850,440 (equivalent to approximately S\$111.0 million) (comprising the purchase consideration of the Acquisition of RM77,850,440 and the Land Price of RM190,000,000) is equivalent to 10.3% of the Company's market capitalisation as at 27 May 2013 of S\$1,076.1 million, based on a share capital of 2,948,219,971 shares and closing share price of S\$0.365 per share.

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

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
29 May 2013