



OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore under Registration No. 201005812G)

REPLIES TO QUESTIONS FROM SHAREHOLDERS

The Board of Directors (the "**Board**") of Oxley Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the questions received from shareholders ahead of the Company's Annual General Meeting to be held on 26 October 2020 at 2.00 p.m. by electronic means. The Company wishes to provide its response to the substantial and relevant questions, which have been organised under key topics, below. Similar questions have been collated and addressed accordingly.

A. Future Direction and Business Strategy

What are the Group's future direction and business strategy?

The Group is continuing its course in developing quality residential, commercial, industrial and hospitality projects in Singapore and overseas. Despite challenges posed by the COVID-19 pandemic, the Group is on course to complete the development projects in Ireland and Cambodia within the next 12 months while the Royal Wharf project was fully completed in the third quarter of 2020. The Addition, a 26-unit residential project in Singapore, achieved TOP in April 2020, and the Group looks forward to receiving TOP for the other Singapore residential projects between 2021 and 2023.

In Singapore, the Group has launched 11 development projects since April 2018 and the response received from buyers has been overwhelming. As of August 2020, 3,109 units or 79% have been sold and total sales secured amounted to S\$3.5 billion. Three of the Group's ongoing projects – The Verandah Residences, Sea Pavilion Residences and 1635 - are 100% sold to-date. Barring any unforeseen circumstances, the Group estimates that the remaining eight projects would be fully sold within the next 12 months.

The 3,385-unit Royal Wharf project in the United Kingdom is more than 98% sold while the Dublin Landings project in Ireland is fully sold. In Cambodia, The Peak project is more than 85% sold. Cash flows from these projects will strengthen the Group's financial position.

In China, the residential project in Gaobeidian – Sino-Singapore Health City (中新健康城) – that is undertaken by the Group's joint venture has been well-received by the market. 366 units of Phase 1 were sold as of 28 September 2020. The Chinese government has approved the maximum selling price of RMB8,000 per sqm and the average selling price achieved was marginally below RMB8,000 per sqm. Construction of the Gaobeidian township project is ongoing and the Group will be able to recognise its share of the profit when Phase 1 of the project is completed.

In Malaysia, construction at Oxley KLCC project is ongoing and approximately 66% of the launched residential apartments have been sold.

The Group's borrowings have reduced gradually since 2018. When the projects approach completion, cash flows from the completed projects are used to repay the project loans and corporate borrowings. The development projects in Singapore are 79% sold and collections from the progress billings have been used to pay for the construction costs and repay the project loans.

The Group has begun the planning, design and site preparations for its new projects - Connolly Station in Dublin, Ireland, Deanston Wharf in London, the United Kingdom and Mozac in Vietnam. Construction works and sale launches are expected to commence in 2021 upon completion of the planning activities.

During the financial year ended 30 June 2020 (“FY2020”), the Group divested its 18.8% stake in Galliard Group as part of the Group’s plan to streamline its portfolio, divest non-core assets and enhance financial flexibility.

The Group has a 10% interest in Aspen (Group) Holdings Limited (“Aspen Group”). In its circular dated 3 September 2020, Aspen Group has indicated that it remains committed to the existing business of developing affordable residential and mixed development properties. The Group understands that the proposed diversification of Aspen Group’s core business to include manufacturing and distribution of rubber gloves and other related activities is meant to expand its business opportunities and growth prospects, in order to enhance shareholder value.

B. Impact of COVID-19 on Operations and Business Performance

What is the impact of COVID-19 on the Group’s operations and business performance?

Due to the COVID-19 pandemic, the Group’s construction sites ceased activities in varying degrees in Singapore and overseas. This is expected to delay the completion of construction works by four to six months from the initial planned completion dates, with the exception of Royal Wharf project which was completed on time in the third quarter of 2020. Since June 2020, the Group has progressively begun operations and as of the date hereof, the construction activities at all the development sites have resumed.

Hotel business came to a standstill from March 2020 and the Group’s hotels have signed government contracts to provide accommodation to those served with Stay-Home Notices and to serve as Government Quarantine Facilities. The contracts are expected to extend to March 2021. Coupled with various cost saving initiatives, the government contracts have enabled the hotels to remain cash flow positive.

The Group has minimal commercial leasing portfolio and the rental reliefs granted to the tenants do not have any material impact on the Group’s financial performance.

C. Financial Condition

How does the current environment affect the Group’s sales collections, financial flexibility and ability to repay its debt obligations?

The Group reported its consolidated financial results on 28 August 2020. Despite the impact from the COVID-19 pandemic, the real estate sector has not been adversely impacted. The Singapore private property market has remained resilient with strong transaction volume and price increase. Sales of the remaining units at Royal Wharf have stayed strong while the Dublin Landings project was 100% sold prior to the COVID-19 outbreak. The Group has not experienced any significant collection issues in respect of the sold units and the incoming cash flows from the completed local and overseas projects will be retained by the Group to meet its debt obligations.

The Company’s annual report for FY2020 was disseminated on 9 October 2020. In Note 30A of the financial statements, it was stated that non-compliance of a financial covenant in the loan facility agreement of a subsidiary was waived by the banks and the Group had not received any notification from the banks for early repayment of the loan. The loan will be repaid when due in the fourth quarter of 2022.

During FY2020, the Group generated approximately \$690 million of cash flows from operating and investing activities, which were substantially directed towards reducing the debt

obligations. In FY2021, the incoming cash flows from the overseas and local projects which are on track to be completed by the first quarter of 2021 will be conserved and used to repay the Group's debt obligations.

D. Shareholder Return

2020 is the 10th anniversary of Oxley. Are the shareholders rewarded with a special dividend?

A final dividend of 0.5 cent per ordinary share and a special dividend of 1 cent per ordinary share have been proposed by the Board and are subject to the approval of shareholders at the forthcoming Annual General Meeting on 26 October 2020. Upon approval, the total dividends for FY2020 would be 1.82 cents per ordinary share, including the interim dividend of 0.32 cent per ordinary share paid in May 2020. The payment date of the final and special dividends will be announced in due course.

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
23 October 2020