



OXLEY HOLDINGS LIMITED

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

DISPOSAL OF INTEREST IN GALLIARD GROUP LIMITED

Introduction

The Board of Directors (the “**Board**”) of Oxley Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Oxley Bright Pte. Ltd. (“**Oxley Bright**”), had disposed of its entire interest in Galliard Group Limited (“**Galliard**”, and together with its subsidiaries, the “**Galliard Group**”), comprising 7,673,458 ordinary shares of GBP0.0001 each, representing 18.77% of the issued share capital of Galliard (the “**Shares**”), to FREP 4 H1 Limited (the “**Purchaser**”) for a total price of GBP30.0 million (the “**Price**”) pursuant to the exercise of an option to purchase the Shares granted by Oxley Bright to the Purchaser on 29 May 2020 (the “**Disposal**”). Following the completion of the Disposal, Galliard would cease to be an associated company of the Group.

The Purchaser is unrelated to the Group or the Company’s Directors or controlling shareholders.

Information on Galliard

Galliard is a private company incorporated under the laws of England and Wales. Galliard and its subsidiaries are principally engaged in property development and construction, hospitality and management, and oversee mixed-use, residential, hotel and commercial projects across London and southern England.

Rationale

The Disposal is part of the Group’s plan to streamline its portfolio, divest non-core assets and enhance its financial flexibility. In undertaking the Disposal, the Group has considered the limited cash flow returns to the Group since the acquisition of the Shares in 2015, the future expansion needs of the Galliard Group, and the outlook of the United Kingdom property market arising from COVID-19 and Brexit which may impact the value of the existing land bank and future selling prices.

Price

The total Price of GBP30.0 million was arrived at on a willing buyer, willing seller basis, after taking into account the current market conditions, the lack of liquidity of the shares of a private company and the future expansion plans of the Galliard Group which would require further capital contributions from the Group. No valuation has been conducted in respect of the Shares. The Shares were acquired for GBP50.0 million in 2015.

The total Price of GBP30.0 million has been fully paid to Oxley Bright. The proceeds from the Disposal will be used to enhance the Group’s cash flow.

Material Conditions

Apart from the customary representations and warranties, including warranties by Oxley Bright in relation to its legal and beneficial ownership of the Shares, there are no material conditions attaching to the Disposal.

Relative Figures under Rule 1006 of Listing Manual

Based on the unaudited financial statements of the Group for the half year ended 31 December 2019 (“HY2020”), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in relation to the Disposal are as follows:

<u>Rule 1006(a)</u>	
Net asset value of the assets to be disposed of, compared with the Group's net asset value	
Net asset value of the Shares as at 31 December 2019 (S\$'000)	155,363 ⁽¹⁾
Net asset value of the Group as at 31 December 2019 (S\$'000)	1,431,222
Size of relative figure	10.9%
<u>Rule 1006(b)</u>	
Net profits attributable to the assets disposed of, compared with the Group's net profits	
Net profits attributable to the Shares for HY2020 (S\$'000)	1,719 ⁽²⁾
Net profits of the Group for HY2020 (S\$'000)	22,786
Size of relative figure	7.5%
<u>Rule 1006(c)</u>	
Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	
Value of the consideration received (S\$'000)	52,317
The Company's market capitalisation as at 28 May 2020, based on the total number of issued shares excluding treasury shares (S\$'000)	996,403 ⁽³⁾
Size of relative figure	5.2%
<u>Rule 1006(d)</u>	
Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Size of relative figure	Not applicable
<u>Rule 1006(e)</u>	
Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.	Not applicable
Size of relative figure	Not applicable

Notes:-

- ⁽¹⁾ The difference between the book value and net asset value of the Shares is due to sharing of results and foreign exchange differences.
- ⁽²⁾ Based on 18.77% of the net profits of Galliard as derived from its unaudited financial statements for the 6 months ended 31 December 2019 with adjustments due to foreign exchange difference.
- ⁽³⁾ The number of issued shares (excluding treasury shares) of the Company as at 28 May 2020 was 4,218,473,614 shares. Based on the volume weighted average price of the Company's shares of S\$0.2362 traded on the SGX-ST on 28 May 2020, being the last market day preceding the date of the Disposal.

As the relative figures under Rules 1006(a), 1006(b) and 1006(c) exceed 5% but do not exceed 20%, the Disposal is deemed a “discloseable transaction” under Rule 1010 of the Listing Manual.

Financial Effects

Based on the audited financial statements⁽¹⁾ of the Group for the financial year ended 30 June 2019 (“FY2019”):

- (i) assuming that the Disposal had been effected at the end of FY2019, the effect of the Disposal on the NTA of the Group is as follows:

	Before the Disposal	After the Disposal
NTA as at 30 June 2019 (S\$'000)	1,504,870	1,413,979
Number of shares in issue	4,155,744	4,155,744
NTA per share as at 30 June 2019 (cents)	36.21	34.02

- (ii) assuming that the Disposal had been effected at the beginning of FY2019, the effect of the Disposal on the earnings per share (“EPS”) of the Group for FY2019 is as follows:

	Before the Disposal	After the Disposal
Net profit attributable to owners of the parent for FY2019 (S\$'000)	139,786	48,895
Weighted average number of shares - basic/diluted ('000)	4,086,392	4,086,392
EPS for FY2019 – basic/diluted (cents)	3.42	1.20

The above pro forma financial effects presented are theoretical in nature and only for illustration purposes. They do not represent the actual financial position and/or results of the Group.

Note:-

- ⁽¹⁾ On 1 July 2019, the Group adopted the new standards, amendments and interpretations to existing standards that are mandatory for application from that date. Following the conclusion of the agenda decision by IFRSIC, borrowing costs which were previously capitalised for development projects over the period of development are now expensed as incurred to the statement of profit or loss.

Based on the unaudited consolidated financial statements of the Group as at 31 December 2019, the book value of the Shares was S\$153.7 million. The Price represents an accounting deficit of S\$101.6 million as compared to the book value of the Shares. However, the actual cash flow impact, being the difference between the original acquisition cost of GBP50.0 million in 2015 and the Price received now, is substantially smaller.

Interests of Directors and Controlling Shareholders

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

Document for Inspection

A copy of the option agreement (as varied by a deed of variation) is available for inspection during normal business hours at the registered office of the Company at 138 Robinson Road #30-01 Oxley Tower, Singapore 068906 for a period of three months from the date of this announcement.

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
5 June 2020