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

RESPONSE TO QUERIES FROM SGX-ST

The Board of Directors of Oxley Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the queries below raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in relation to The Business Times article dated 1 March 2019 entitled "*Oxley confident of repaying S$1.6b debt due in next three years*" (the "**Article**").

In the Article, the Company's Executive Chairman, Mr Ching Chiat Kwong, stated, *inter alia*, that he is confident that the Company "*can pay off its S$1.6 billion in debt due in the next three years through the sale of its completed projects, local and overseas, as well as a steady stream of asset disposals*". In particular, Mr Ching also stated that:-

(a) upon the completion of the one-time sale of the Mercure and Novotel Hotels and overseas assets, the Company would have approximately S$1.4 billion in its kitty by end 2019;

(b) the Company ultimately aims to reduce its gearing to 1 time debt-to-equity by the end of the year;

(c) the Company aims to rake in about S$2 billion from its Singapore residential projects, and S$500 million from projects in Cyprus, Cambodia, Malaysia and London;

(d) the Company's gearing multiple appears high because the Company is still young and growing and building up its equity. Once its equity base is beefed up, and revenue and profits from completed projects stream in, gearing will also naturally fall. But over the long term, the Company is not expecting to pare its gearing to a low level. As soon as there are investment opportunities at hand, the Company will not hesitate to gear back up to re-enter the market.

The SGX-ST has raised the following queries:

(a) Please disseminate all material, non-public information disclosed in the Article (and in particular, those highlighted in the paragraph above).

(b) Please clarify if the statements in the Article (as set out in the paragraph above) constitutes an "estimate or projection" for the purpose of Listing Rule 703 and if so, please state the Company's basis for the same.

The Company wishes to respond and clarify as follows:

(1) <u>"upon the completion of the one-time sale of the Mercure and Novotel Hotels and overseas assets, the Company would have approximately S$1.4 billion in its kitty by end 2019"</u>

The Company has made an announcement on 21 January 2019 in relation to the sale of Blocks 4 and 5 of Dublin Landings, Ireland, an announcement on 28 January 2019 in relation to the proposed sale of parts of Blocks B and E, Dublin Landings, Ireland, as well as an announcement on 10 January 2019 in relation to the proposed sale of Mercure and Novotel Hotels at Stevens Road, Singapore. The gross proceeds from the sale of the aforesaid properties will amount to approximately S$1.4 billion in 2019.

(2) “the Company ultimately aims to reduce its gearing to 1 time debt-to-equity by the end of the year”

It is the Company’s ultimate aim to reduce its debt-to-equity ratio to 1, but the Article has incorrectly stated that the Company aims to achieve this by the end of the year. As stated on page 9 of the Company’s corporate presentation which was released on SGXNet on 13 February 2019 (the “**Corporate Presentation**”), upon the completion of the sale of the aforesaid properties, the Company’s gearing will be reduced to approximately 2 times.

(3) “the Company aims to rake in about S$2 billion from its Singapore residential projects, and S$500 million from projects in Cyprus, Cambodia, Malaysia and London”

As stated on pages 13 and 20 respectively of the Corporate Presentation, the Group’s local projects are worth approximately S$2.9 billion and the Group’s overseas projects to be launched (including those in Cyprus, Cambodia, Malaysia and London) are worth approximately S$4.6 billion.

(4) “the Company’s gearing multiple appears high because the Company is still young and growing and building up its equity. Once its equity base is beefed up, and revenue and profits from completed projects stream in, gearing will also naturally fall. But over the long term, the Company is not expecting to pare its gearing to a low level. As soon as there are investment opportunities at hand, the Company will not hesitate to gear back up to re-enter the market”

Since inception, the Group’s rapid growth has been supported by debt and equity. The Group’s gearing will increase with new acquisitions and decrease gradually as the properties are developed and sold over time. With the existing portfolio, the Group aims to develop and sell the properties and gradually reduce the debt-to-equity ratio to 1. However, as and when there are new viable business opportunities, gearing may increase as new loans have to be taken to fund such opportunities. Hence, the above statements are consistent with such strategy.

The Company wishes to further clarify that the statements in the Article are not the Company’s internal estimates or projections. Information in the Article has previously been made public by the Company through past announcements, including the latest Corporate Presentation.

By order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
1 March 2019