



OXLEY HOLDINGS LIMITED

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

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 announcement on 30 April 2019 relating to the sale of the Company's entire interest in the capital of Oxley Beryl Pte. Ltd., the owner of the property known as Chevron House at 30 Raffles Place Singapore 048622. All capitalised terms herein shall, unless otherwise defined herein, bear the meanings ascribed thereto in the said announcement.

- (a) We refer to the announcement issued by the Company on 30 April 2019 entitled "Sale of the entire issued and paid-up share capital of a subsidiary". Please disclose the information required under Listing Rule 1010(5).

Reply: As at 30 June 2018, the net tangible asset value of Oxley Beryl was S\$106.6 million. The market value of the Property was \$787.0 million as at 30 June 2018 based on a valuation commissioned by Oxley Beryl, using a combination of direct comparison, income capitalisation and residual methods on an "As-Is with potential for A&A works" basis.

- (b) Please disclose the salient details of adjustments provided in the terms of SPA which have an impact on consideration to be received by the Company.

Reply: The main adjustments which would have an impact on the consideration to be received by the Company as provided under the terms of the SPA include the following:

- (i) if the actual construction costs for the AEI Works are less than the agreed estimated amount, Oxley Beryl shall pay to the Company savings on construction cost. If the actual construction costs exceed the estimated amount, the Company shall pay for the additional cost; and
- (ii) if the sale proceeds from the divestment of the retail and banking units are above a target amount ("**Target Amount**"), the excess up to an agreed amount ("**Agreed Amount**") shall be used to defray costs to be incurred by the Company including marketing costs, and any excess beyond this Agreed Amount shall be shared equally between the Company and the Purchaser. If the sale proceeds are less than the Target Amount, the deficit shall be borne by the Company.
- (c) Please disclose the quantum of Oxley Beryl's bank loans to be discharged by the Purchaser as well as the remaining balance to be settled in cash upon the final completion of the Proposed Sale.

Reply: The estimated amount of Oxley Beryl's bank loans outstanding after the completion of the AEI Works, the discharge of which is intended to be procured by the Purchaser on final completion of the Proposed Sale, is approximately S\$520 million. A sum of \$295 million, adjusted as described in (b) above, less the second set of retention sums (explained in (d)) will be received by the Company on final completion.

- (d) Please disclose further information on the retention sums to be released upon the fulfilment of relevant conditions.

Reply: The key retention sums under the terms of the SPA are as follows:

- (i) the first retention sum is \$41.4 million less the cost paid by the Company for the AEI Works prior to the First Completion. The first retention sum shall be released within five business days from the date of issue of the temporary occupation permit in respect of the AEI Works; and
- (ii) the second set of retention sums are (A) up to 10% of an agreed value of the office tower. This retention sum shall be released within five business days after the issuance of certificate of statutory completion and separate subsidiary strata certificates of title in respect of all units in the Property, provided that the Purchaser shall be entitled to retain certain amounts as provided in the SPA; and (B) 10% of the divestment value of the banking hall and retail units. This retention sum shall be released within five business days after Oxley Beryl's receipt of the corresponding amounts retained by the buyer(s) of the banking hall and retail units.

- (e) What is the enterprise value of Oxley Beryl?

Reply: The enterprise value of Oxley Beryl is S\$1.025 billion.

- (f) What are the salient terms of the divestment of the retail and banking units in the Property, including and not limited to the proceeds from the divestment of these units?

Reply: The salient terms of the divestment include the following:

- (i) the divestment of the retail and banking units in the Property (the "**Asset Divestment**") shall be conducted by way of one or more rounds of expression of interests process open to the public;
- (ii) the Company shall appoint an experienced and reputable real estate agency as the sale and marketing agent of Oxley Beryl to effect the Asset Divestment (the "**Marketing Agent**");
- (iii) the commission, fees and expenses of the Marketing Agent shall be borne by the Company;
- (iv) the consideration to be received by Oxley Beryl in connection with the Asset Divestment must be in cash;
- (v) the proceeds from the divestment will be dealt with as described in (b)(ii) above; and
- (vi) the Purchaser shall have the right to require the Company to purchase any or all of the unit(s) which remain unsold as at a long stop date agreed between the Purchaser and the Company.

- (g) Is there a gain/loss on disposal arising from the transaction? What is the quantum of this gain/loss on disposal?

Reply: The disposal has a positive impact on the earnings per share and net asset value of the Group for the financial year ending 30 June 2019. The profit on the transaction will be finalised and announced after the final completion.

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
9 May 2019