



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 22 June 2020 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 22 June 2020 entitled "Sale of the entire issued and paid-up share capital of Oxley Beryl Pte. Ltd." (the "**Announcement**"). It is stated in the Announcement that, "The remainder of the proceeds from the sale of Oxley Beryl to be received by the Company will be approximately \$200 million, less a retention sum for post-Completion works. The key retention sums referred to in the announcement dated 9 May 2019 are no longer applicable as the certificate of statutory completion and separate subsidiary strata certificates of title in respect of all units in the Property have been issued."

Please disclose further information on the retention sum to be released for post-Completion works.

Reply: The retention sum of \$38.0 million relates to post-Completion works including building works yet to be completed as a result of construction restrictions imposed due to COVID-19 and the statutory tax filing of Oxley Beryl for the period before the final completion of its sale by the Company. The building works include façade painting and installation of building signage on the Property. The retention sum will be progressively released to the Company on completion of the works and as agreed with Golden Compass.

- (b) Please disclose the factors taken into consideration in relation to the Company's decision (i) to pay any shortfall from the agreed aggregate monthly target rent in respect of the retail lots and commercial lots of the Property for a period of two years from and including the date falling immediately after the date of the DRS; and (ii) to manage and market for the purpose of leasing out the retail lots and commercial lots in the Property for a period of two years for a management fee of \$1 under the AMA.

Reply: (i) The Deed of Rental Support (the "**DRS**") and the Asset Management Agreement (the "**AMA**") are an integral part of the terms of the Sale Agreements to provide the Retail Purchaser and the Commercial Purchaser with continuing support in leasing and managing the Property for a period of two years by relying on the existing leasing and marketing, and project management resources of the Company. As the Singapore economy emerges from the COVID-19 shutdown, continuity of the Company's involvement is important to ensure a smooth opening of the business activities at the Property, and the realisation and preservation of the value of the Property located in the Central Business District.

- (ii) Pursuant to the amended and restated sale and purchase agreement with Golden Compass announced on 2 April 2020, the date of final completion of the sale of Oxley Beryl was extended to 30 June 2020 or such other date as the parties may agree in writing. As disclosed in the announcement on 21 May 2019, the key milestones

between First Completion and Final Completion of the sale of Oxley Beryl are (1) completion of AEI Works and issuance of Temporary Occupation Permit (which were completed in early 2020), and (2) divestment of the retail and banking units. The completion of the sale of the retail and commercial strata-titled lots to the Retail Purchaser and the Commercial Purchaser is required to fulfil the final completion milestone for the sale of Oxley Beryl to Golden Compass.

- (c) Please disclose how the aggregate liability of the Company under the DRS and AMA not expected to exceed 5% of the Total Purchase Price over the two-year period is being arrived at.

Reply: Under the DRS, the Company agrees to pay any shortfall in the monthly net revenue from the agreed aggregate monthly target rent in respect of the retail lots and commercial lots of the Property (the “**Relevant Lots**”) for a period of two years. Net revenue is derived from the gross revenue (which includes rental income in respect of the Relevant Lots and the Relevant Lots’ proportionate share of ancillary income and licence fees to be generated from the event and advertising spaces in the common property and limited common property) less property operating expenses (which include maintenance fund contribution (excluding sinking fund contribution), property tax and general maintenance services). This shortfall is estimated to be approximately \$14.2 million over the two-year period, based on the annual rental income from the secured tenancies. The occupancy of retail lots is approximately 85.0% while tenants for the commercial lots have yet to be secured. However, the monthly shortfall is expected to decrease gradually as tenants are secured for the remaining retail lots and the commercial lots.

The aggregate liability of the Company under the DRS and AMA comprises the aforesaid shortfall which is not expected to exceed 5% of the Total Purchase Price.

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
30 June 2020