



OXLEY HOLDINGS LIMITED

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

ACQUISITION OF INTEREST IN PINDAN GROUP PTY LTD

Introduction

The Board of Directors (the "**Board**") of Oxley Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company had on 5 December 2016 entered into a share subscription agreement (the "**Agreement**") for the subscription (the "**Subscription**") of 61,410,217 ordinary shares (the "**Subscription Shares**") in the capital of Pindan Group Pty Ltd ("**Pindan**") for a total subscription price of AUD32,000,000 (the "**Subscription Price**"). Following the completion of the Subscription, the Subscription Shares will constitute 40% of the total issued and paid-up share capital of Pindan.

Information on Pindan

Pindan is a company incorporated in Australia. Established in 1977, Pindan and its subsidiaries (the "**Pindan Group**") are an integrated property group providing a wide range of development, property, construction and maintenance services. The Pindan Group is based in Western Australia and is one of the leading property and construction companies in Western Australia. It has more recently expanded to other states in Australia, including New South Wales and Queensland.

The acquisition of an equity interest in Pindan will facilitate the Group's expansion into the Australian market through collaboration with an established local partner.

Subscription Price

The Subscription Price of AUD32,000,000 (equivalent to approximately SGD33,878,000) was arrived at through arm's length negotiations, taking into consideration the outstanding value of contracts on hand and value of current development projects of the Pindan Group.

Based on the unaudited pro forma financial report of the Pindan Group as at 1 July 2016, the net tangible asset ("**NTA**") value of the Pindan Group was approximately AUD3,203,000.

The Subscription Price will be paid and the Subscription Shares will be issued by Pindan to the Company upon completion of the Subscription, which shall be two business days after the last condition precedent under the Agreement is satisfied or waived (the "**Subscription Date**").

The Subscription Price will be funded by internally generated funds and bank borrowings.

No formal valuation has been conducted in respect of the Pindan Group.

Key terms of the Agreement

The Subscription is subject to the following conditions precedent (the "**Conditions Precedent**") being satisfied or waived before the Subscription Date:

- (i) a specified lender giving its consent in writing to the restructure of an existing financing facility on terms satisfactory to the Pindan Group; and
- (ii) each member of the Pindan Group updating its corporate records and providing evidence that the shareholdings within the Pindan Group are as set out in the Agreement, including that all

transfers from previous shareholders have been validly documented and registered.

The Agreement may be terminated if the Conditions Precedent are not satisfied by 5.00 pm on 14 December 2016 or another date agreed by the parties in writing.

Under the terms of the Agreement, Pindan shall on the Subscription Date, grant an interest-free loan of AUD12,000,000 (the “**Subscriber Loan**”) to the Company on, *inter alia*, the following terms:

- (a) the Subscriber Loan is to be repaid in full to Pindan on or before 30 June 2017, or such later date as agreed between the parties in writing;
- (b) if the Company fails to repay the Subscriber Loan, Pindan shall be entitled to buy back 23,028,831 ordinary shares from the Company at their issue price in full satisfaction of the Subscriber Loan; and
- (c) the other shareholders of Pindan shall be entitled to purchase the remaining Subscription Shares from the Company.

On the Subscription Date, the Company shall enter into an agreement with Pindan Capital Investments Pty Ltd (“**Pindan Capital**”), a wholly-owned subsidiary of Pindan, pursuant to which the Company shall grant a revolving loan facility of an aggregate amount of AUD40,000,000 to Pindan Capital to be applied in connection with property development projects undertaken by it or its subsidiaries.

Relative figures under Rule 1006 of Listing Manual

Based on the unaudited financial statements of the Group for the first quarter ended 30 September 2016 (“**1Q2017**”), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in relation to the acquisition of the Subscription Shares 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	Not applicable
Size of relative figure	Not applicable
<u>Rule 1006(b)</u>	
Net profits attributable to the assets acquired, compared with the Group’s net profits	
Net profits attributable to the Subscription Shares for 1Q2017 (S\$’000)	1,261 ⁽¹⁾
Net profits of the Group for 1Q2017 (S\$’000)	19,744
Size of relative figure	6.39%
<u>Rule 1006(c)</u>	
Aggregate value of the consideration given, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	
Value of the consideration given (S\$’000)	33,878
The Company’s market capitalisation as at 2 December 2016, based on the total number of issued shares excluding treasury shares (S\$’000)	1,281,650 ⁽²⁾
Size of relative figure	2.64%
<u>Rule 1006(d)</u>	
Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable
Size of relative figure	Not applicable

Notes:-

- ⁽¹⁾ Based on 40% of the net profits of the Pindan Group as derived from its unaudited pro forma accounts for the three-month period ended 30 September 2016.

- (2) The existing number of issued shares excluding treasury shares of the Company is 2,925,474,571 shares. Based on the volume weighted average price of the Company's shares of S\$0.4381 traded on the SGX-ST on 2 December 2016, being the last market day preceding the date of the Agreement.

As the relative figure under Rule 1006(b) exceeds 5% but do not exceed 20%, the acquisition of the Subscription Shares is deemed a "discloseable transaction" under Rule 1010 of the Listing Manual.

Financial Effects

Based on the audited financial statements of the Group for the financial year ended 30 June 2016 ("FY2016"):

- (i) assuming that the Subscription had been effected at the end of FY2016, the NTA per share of the Group would have remained unchanged at 26.79 cents per share as at 30 June 2016, in view that Pindan would only be an associated company of the Group; and
- (ii) assuming that the Subscription had been effected at the beginning of FY2016, the effect of the Subscription on the earnings per share ("EPS") of the Group for FY2016 is as follows:

	Before the Subscription	After the Subscription
Net profit attributable to owners of the parent for FY2016 (S\$'000)	206,003	204,984
Weighted average number of shares - basic/diluted ('000)	2,942,207	2,942,207
EPS for FY2016 – basic/diluted (cents)	7.00	6.97

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.

Interests of Directors and Controlling Shareholders

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

Document for Inspection

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company at 50 Raffles Place #11-02 Singapore Land Tower Singapore 048623 for a period of three months from the date of this announcement.

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
6 December 2016