



OXLEY HOLDINGS LIMITED

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

For immediate release

Oxley Gem appoints exclusive agents in respect of the sale of Novotel and Mercure Hotels on Stevens Road

Singapore, 21 March 2019 - Oxley Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that its wholly-owned subsidiary, Oxley Gem Pte. Ltd. ("**Oxley Gem**") has appointed CBRE Pte Ltd ("**CBRE**"), Jones Lang LaSalle Property Consultants Pte Ltd and JLL Hotels & Hospitality Group ("**JLL**") as its exclusive agents (collectively, the "**Consultants**") for the sourcing, marketing, evaluating, negotiating and securing of a purchaser for the Novotel Singapore on Stevens and the Mercure Singapore ("**Hotels**") situated on Stevens 28 and 30 Stevens Road Singapore ("**Property**"). The appointment of the Consultants will expire in six months, subject to extension under the same terms and conditions by written mutual agreement

Commenting on the appointment of the Consultants and the potential sale of the Hotels, Mr, Ching Chiat Kwong, Executive Chairman & CEO, says,

"We have received strong interest from enquirers and are excited to engage with them to explore the various opportunities available for the sale of the Hotels and the Property. We are confident that this strategic move will allow us to realise the true value and unlock the full potential of our investments. The sale of the Hotels and the Property would also enable us to effectively capture the current upward movement of Singapore hotel market for the long-term growth and benefit of our Company."

Mr. Adam Bury, Senior Vice President (Investment Sales) of JLL, remarked "The Singapore hotel market is experiencing an upwards swing in trading performance as new supply becomes limited. 2018 saw market wide RevPAR rise for the first time in six years, with new supply between 2020 and 2022 being less than 1% of existing room count per annum, we see the upwards trend continuing. The freehold nature of the site speaks for itself, with such assets rarely trading in the market – the last similar transaction was 2013, and with the recent increase in development charges making land acquisitions for hotels prohibitive, we expect to see strong interest for the Steven's Road sale."

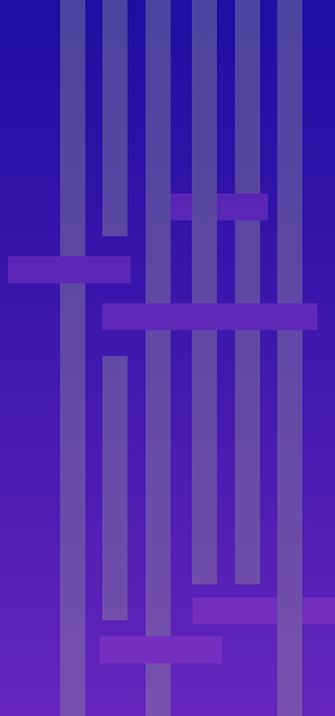
Mr. Galven Tan, Executive Director (Capital Markets) of CBRE, remarked "CBRE has seen interest in hotels picking up significantly over the last 12-15 months, as we received enquiries from multiple international groups. This is further evident from the strong participation at the tender sale of hotel sites like Singtel Hill Street and Club Street. Mercure and Novotel Singapore on Stevens presents an unique and immediate opportunity to access a premium Freehold product in the tightly held hotel sector in Singapore. Given the strong attributes, we anticipate strong interest from local and international investors."

About Oxley Holdings Limited

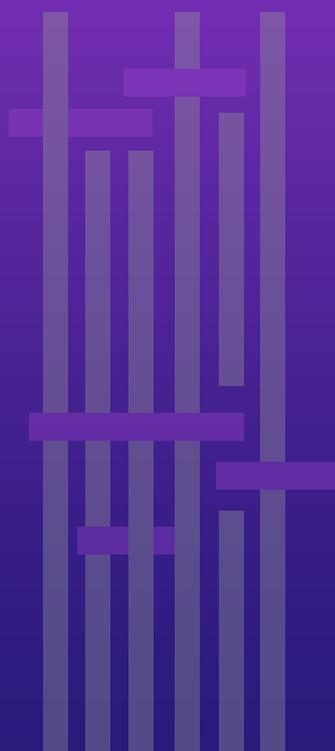
Oxley Holdings Limited is a home-grown property developer with a diversified portfolio including property development, property investment and project management. Oxley Holdings is listed on the Main Board of the SGX-ST and has a market capitalisation of approximately S\$1.32 billion.

The Group currently has a business presence across 12 geographical markets including Singapore, the United Kingdom (the "UK"), Ireland, Cyprus, Australia, Cambodia, Malaysia, Indonesia, China, Japan and Myanmar. Since Oxley Holdings's incorporation in March 2010, the Group has launched a

portfolio of 34 projects, and completed 28 projects. It is currently developing a waterfront township development in London, UK, two mixed-use developments in Phnom Penh, Cambodia, and the largest mixed-use development in the business district of Dublin, Ireland. Oxley's developments are typically located in choice areas that are easily accessible. Most of its projects incorporate retail elements, and lifestyle features and facilities. Oxley Holdings also holds 20% stake in The Galliard Group, a leading integrated property group in the UK, and 40% stake in Pindan Group Pty Ltd, an integrated property group based in Western Australia. For more information on Oxley Holdings, please visit www.oxley.com.sg.

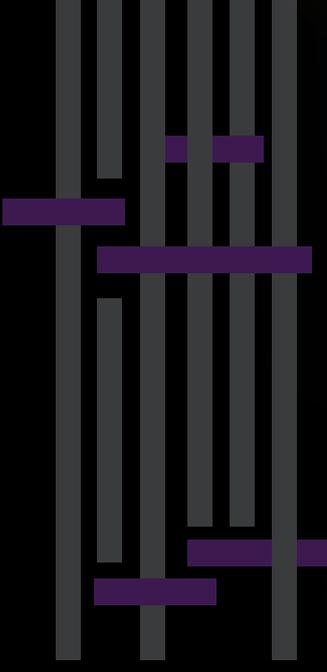


28 STEVENS
& ROAD
30









Introduction

As the exclusive marketing agents for Oxley Gem Pte. Ltd. (the “Vendor”), JLL and CBRE are pleased to offer for sale the opportunity to acquire the 100% interest in 28 & 30 Stevens Road (the “Development” or “Property”). The integrated development is located on a sprawling 180,000 sqft freehold site near Orchard Road, Singapore’s premier retail and entertainment precinct.

The integrated development consists of the 254-key Novotel Singapore on Stevens, 518-key Mercure Singapore on Stevens and an approximately 25,000 sqft of commercial podium. The hotels offer a full range of facilities and services including a clubhouse, two pools, a tennis court and conference facilities that can accommodate over 500 guests. The F&B enclave houses restaurants and bars.

Given the scarcity of prime freehold land in Singapore, this is a rare opportunity for an incoming investor to own a generational asset located in one of Asia’s most highly coveted real estate markets.



Coveted Freehold Hotel Opportunity

Given the scarcity of freehold opportunities in Singapore, the Development represents an unparalleled opportunity for investors to acquire a brand new generational asset in Singapore's tightly-held hotel market.

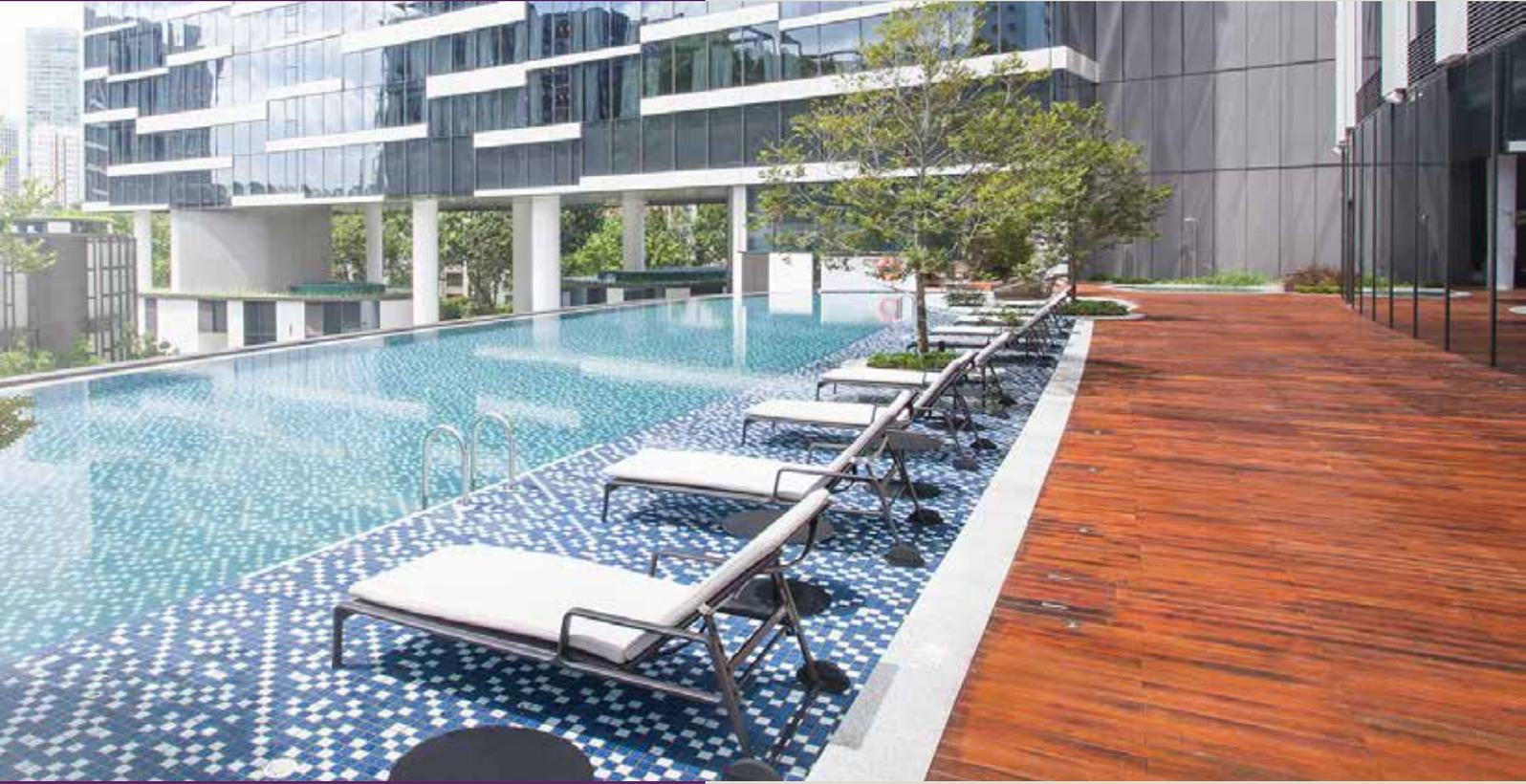
Close Proximity to Orchard Road

Strategically located near Singapore's iconic shopping belt, Orchard Road, the Development benefits from immediate access to a myriad of retail, dining and entertainment offerings with major shopping landmarks such as ION Orchard, Paragon and Ngee Ann City at its doorstep.

Key Gateway City & Buoyant Tourism Fundamentals

Supported by world-class infrastructure, excellent flight connectivity and popular leisure attractions, Singapore's tourism landscape has gone from strength to strength with visitor arrivals and tourism receipts achieving a record high of 18.5 million and SGD 27.1 billion respectively in 2018. Singapore remains one of the world's leading investment markets underpinned by strong economic fundamentals, efficient business environment, a transparent legal structure and well-connected infrastructure.





In-place Cash Flow with Upside Potential

Opened in November 2017, the Property has quickly established itself within the market. Significant room exists for growth in both ADR and occupancy especially noting limited supply coming to market. Featuring 772 well-appointed guestrooms and a full suite of facility and services, an incoming investor will benefit from economies of scale as well as efficiencies arising from the shared services shared between the two properties.

Newly Completed Asset Available below Replacement Cost

Recent sales of freehold development sites have been completed above \$2,500 psf ppr. These recent transactions together with upward revisions to development charge rates for hotel developments mean that this newly-opened asset is being offered to the market at below replacement cost.

Large Site Offering Long Term Upside & Utility

Occupying nearly 180,000 sqft of prime freehold land and a prominent 230m frontage along Stevens Road, the scale of the Property provides the incoming investor the flexibility to create an iconic lifestyle and dining destination through repositioning the existing commercial podium. Further opportunity is available in the long term to redevelop the site to alternative uses such as residential.





Executive Summary

PROPERTY

Novotel & Mercure Singapore on Stevens

ADDRESS

28 & 30 Stevens Road, Singapore 257878, 257840

OPENED

2017

SITE AREA

16,463.3 sqm or approximately 177,209 sqft

TENURE

Estate in Fee Simple (Freehold)

GROSS FLOOR AREA

29,563.33 sqm or approximately 318,216 sqft

LEGAL DESCRIPTION

Town Subdivision 26 Lots 934T & 936K

CARPARKS

159 parking lots (including 3 handicap lots)

HOTELS

Total – 772 rooms

Novotel – 254 rooms

Mercure – 518 rooms

HOTEL FACILITIES

500 seat ballroom, meeting facilities, 24-hour fitness centre, infinity pool, lap pool, tennis court, four hotel restaurants and bars

COMMERCIAL COMPONENT

A commercial podium of approximately 25,000 sqft housing several restaurants

PRIVATE CLUB

A private members only clubhouse of approximately 8,300 sqft

The Property

Novotel and Mercure Singapore on Stevens (the “Hotels”) are two brand new integrated hotels that feature a total of 772 guest rooms and suites, 256 within the Novotel Singapore on Stevens and 516 within the Mercure Singapore on Stevens. The Development sits on a sprawling freehold estate comprising a F&B enclave – Dine at Stevens and a private club.

The Hotels are managed by Accor under the Novotel and Mercure brands. A large variety of amenities are available including an infinity pool, lap pool, tennis court, 24-hour gym, conference facility comprising nine individual event spaces and a ballroom that can accommodate up to 500 guests.

Restaurants include Food Exchange and L'APÉRITIF Tapas Bar at Novotel Singapore on Stevens, and gourmet cafe Fudgebar at Mercure Stevens. In addition, the Hotels are also well served by the F&B enclave, Dine at Stevens, which boasts several restaurants. Tenants including premium fine dining restaurants like The Gyu Bar and In Piazza as well as familiar popular local chains like PapaRich and Long Beach Seafood.

The Hotels have won a number of awards including Gold in the 2018 Melbourne Design Awards for their creative architecture and interior designs.



Location

Located at the edge of Orchard Road along Stevens Road, the Property is situated between one of Singapore's most prestigious and exclusive residential enclaves of Ardmore Park and Balmoral Park. The main shopping belt of Orchard Road is within minutes' drive and the property is also conveniently connected to various parts of the city via the main arterial roads and expressways.

The Property is in close proximity to the Singapore Botanic Gardens – Singapore's first and only UNESCO Heritage Site. Other prominent landmarks in the vicinity include the Shangri-la Hotel, The Tanglin Club and The American Club. Several of Singapore's most renowned schools are located within the immediate vicinity, including Raffles Girls' School, Singapore Chinese Girl's School and Anglo Chinese School (Barker Road).

Hotel guests enjoy a complimentary shuttle service to Orchard Road, The Metropolis and Singapore Botanic Gardens.



Hotel



Retail



School





 **STEVENS MRT (DT10)**

 **NEWTON MRT (NS21/DT11)**

 **ORCHARD MRT (NS22)**

28 & 30
STEVENS ROAD

Tanglin Mall

Regent Singapore

The St. Regis Singapore

Renaissance

Hilton Singapore

Four Seasons Hotel Singapore

Wheelock Place

ION Orchard Mall

Wisma Atria

Ngee Ann City

Palais

YOTEL

Shaw House

Scotts Square

Singapore Marriott

Tang Plaza Hotel

Tang Plaza

Paragon Shopping Centre

Goodwood Park Hotel

Grand Hyatt Singapore

Sheraton Towers Singapore

Shangri-La Hotel Singapore

Raffles Girls' School

Anglo-Chinese School (Primary) & ACS (Barker Road)

Singapore Chinese Girls' School



DELUXE ROOM



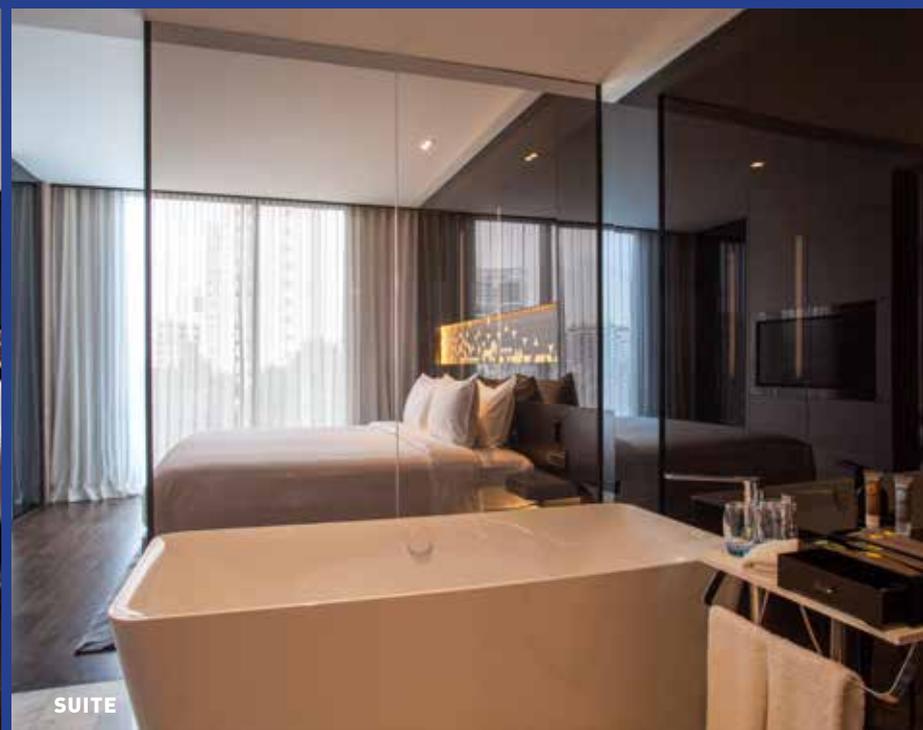
PREMIER ROOM

Novotel Singapore on Stevens

Featuring 254 spacious rooms and suites spanning 23 sqm to 48 sqm, all rooms come with floor-to-ceiling windows, offering lush greenery views and a glimpse of bustling Orchard Road. Fitted out in modern and contemporary décor, guests can expect a comfortable retreat in the heart of vibrant Singapore.



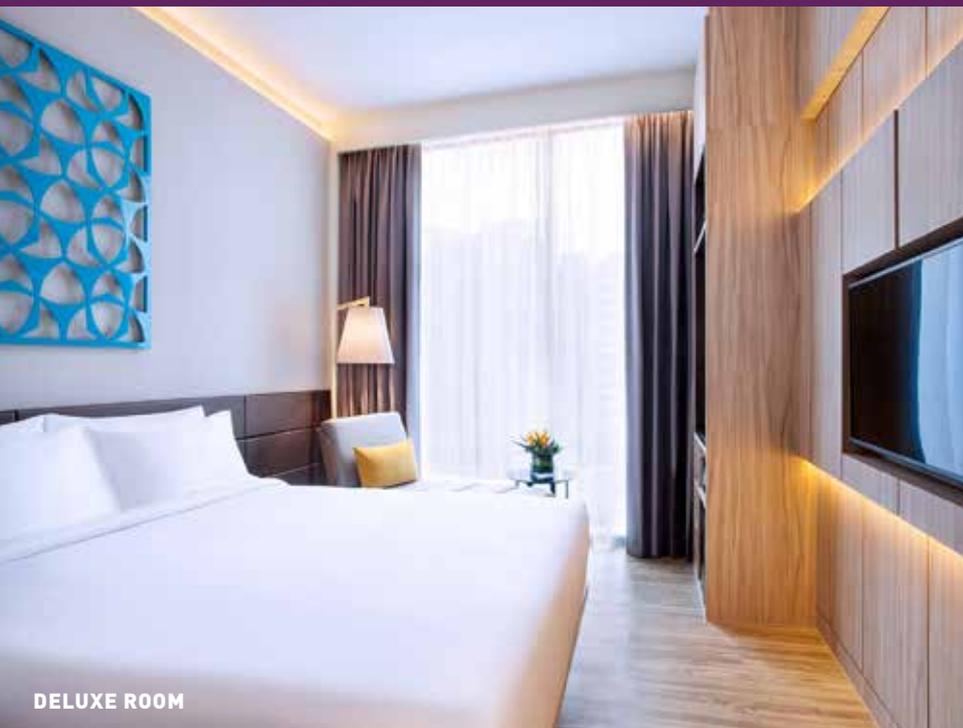
SUITE



SUITE



SUITE



DELUXE ROOM



PRIVILEGE ROOM



Mercure Singapore on Stevens

Infused with local design and inspiration, Mercure Singapore on Stevens features 518 guestrooms from 17 sqm to 34 sqm. Featuring views of the vibrant heart of Singapore, Mercure offers a cosy retreat amidst the bustling activities of Singapore.



L'APERITIF

Hotel F&B Outlets



WINESTONE



FOOD EXCHANGE

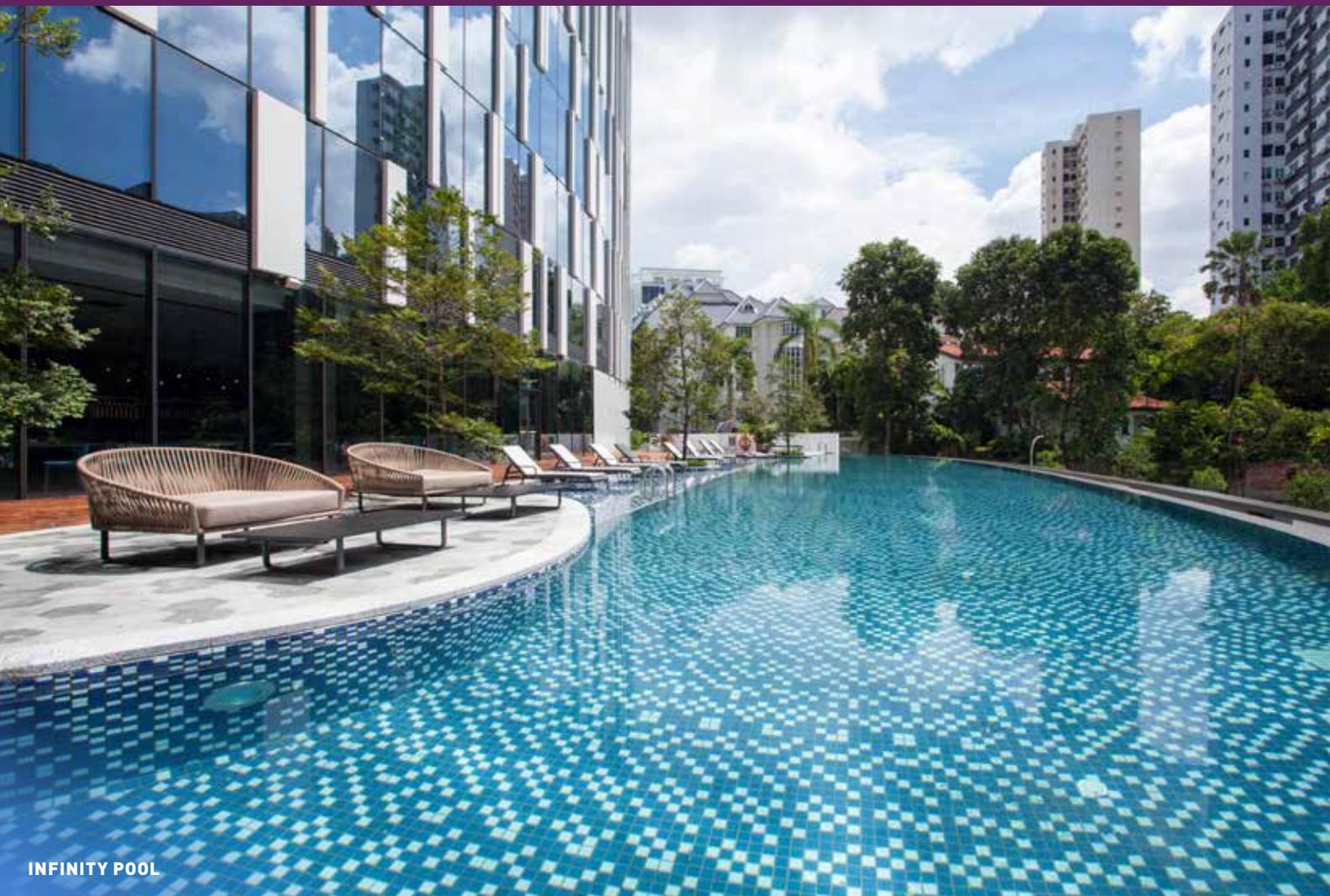


FUDEBAR



GYM

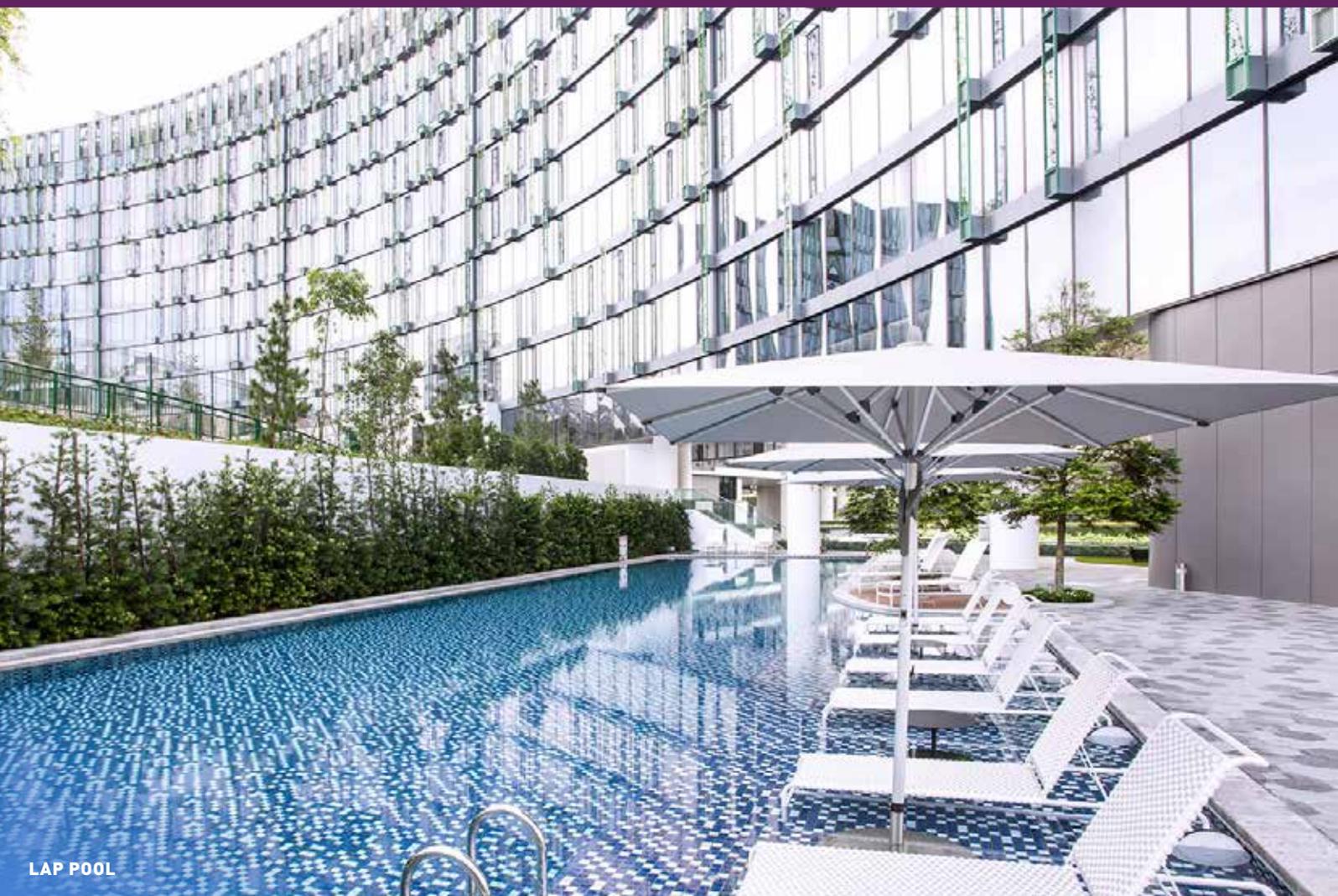
Other Hotel Facilities



INFINITY POOL



MEETING ROOM



LAP POOL

Hotel Transaction Comparables

QUALITY ASSET AT BELOW REPLACEMENT COST

Hotel land site sales have reached record highs in the recent year, thus on a unit price basis the Development represents a unique opportunity to acquire an institutional quality asset at below replacement cost with immediate access to cash flows. Given the recent revision of the development charges for hotel use, an incoming investor is able to gain an immediate foothold in the hotel market, and benefit from the favourable hotel market fundamentals.

HOTEL LAND TRANSACTIONS

Date	Property	Tenure	GFA (sqft)	Price (SGD million)	Price psf ppr (SGD million)
Jan-19	Club Street Site	99-year	261,673	562.0	2,149
Nov-18	Waterloo Apartments	999-year	60,348	131.0	2,558*
Nov-18	Golden Wall Centre	Freehold	118,488	276.0	2,721*

*Price psf ppr factors in an additional estimated development charge (as at Mar 2019) payable as follows: Waterloo Apartments (SGD 23.3 million), Golden Wall Centre (SGD 46.2 million)

Source: JLL, Press Releases

Over the past decade there have been limited transactions of freehold hotel assets of this scale and caliber, underpinned by the tightly held nature of the Singapore hotel market. The Mercure and Novotel on Stevens represents a generational opportunity to acquire a sizeable freehold real estate asset in one of Asia's most highly coveted markets.

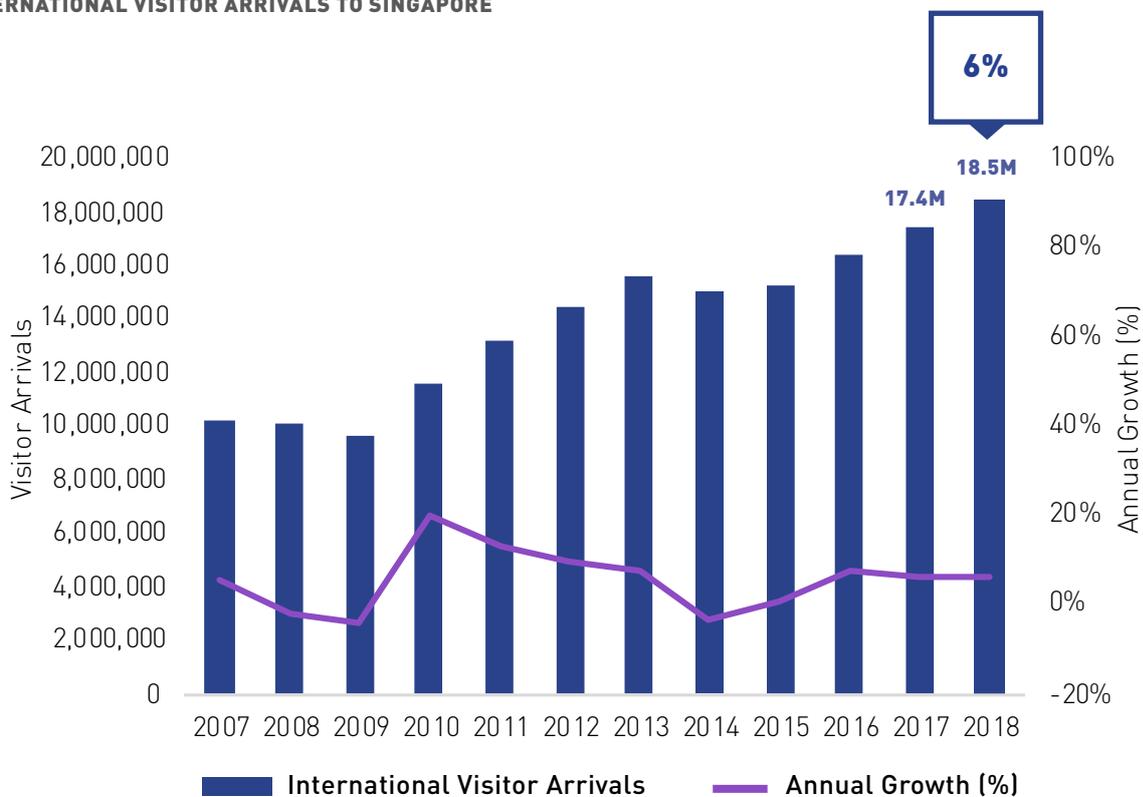
HOTEL TRANSACTIONS

Date	Property	Tenure	Keys	Price (SGD million)	Price per Key (SGD million)
Jan-19	Ascott Raffles Place	999-year	146	353.3	2.42
Nov-15	Big Hotel Singapore (rebranded as G Hotel)	Freehold	308	203.0	0.66
Apr-15	Capri by Fraser Changi City	99-year	313	203.4	0.65
Dec-14	Hotel Grand Chancellor Singapore	99-year	328	248.0	0.76
Dec-13	The Westin Singapore	99-year	305	468.0	1.53
Oct-13	Park Regis Singapore	99-year	203	144.0	0.71
Oct-13	Grand Park Orchard & Knightsbridge Singapore	Freehold	308	1,160.0	1.49
Aug-13	Sentosa Resort & Spa (rebranded as Sofitel Sentosa)	60-year	215	210.9	0.98
Aug-13	Rendezvous Grand Singapore	99-year	298	236.0	0.79
Aug-13	Gallery Hotel (rebranded as InterContinental Robertson Quay)	Freehold	222	232.5	1.05
Jun-13	Park Hotel Clarke Quay Singapore	99-year	336	300.0	0.89
May-13	Hotel Windsor (rebranded as ibis Styles Macpherson)	Freehold	225	163.0	0.72

Source: JLL, Press Releases

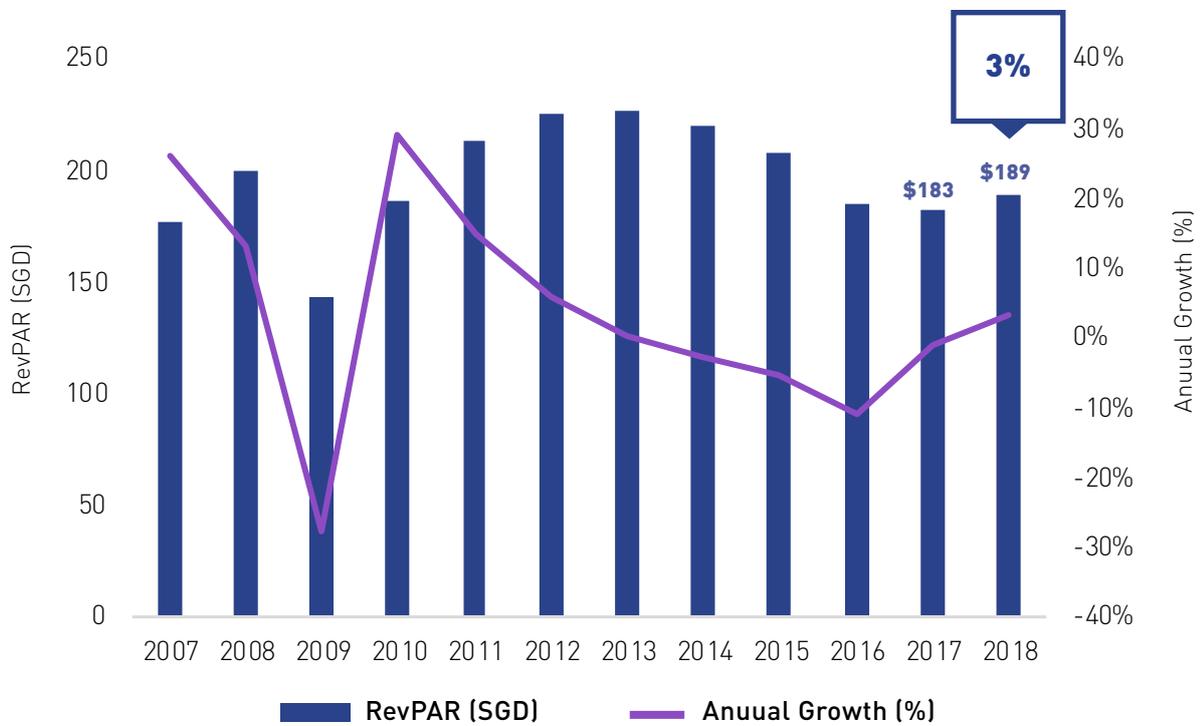
Singapore Hotel Market Upswing

INTERNATIONAL VISITOR ARRIVALS TO SINGAPORE



- From 2013 to 2018, the number of international visitor arrivals grew by 2.9 million, representing a 5-year CAGR of 3.5%;
- Strong Asia Pacific demand, increased flight connectivity and a number of high-profile events, including the Trump-Kim Summit are contributors to growth;
- With the openings of Terminal 4 (2017) and Jewel (2019), a mixed-use development, at Changi Airport, international visitor arrivals is forecast to increase c.1%-4% in 2019.

MARKETWIDE PERFORMANCE OF HOTELS IN SINGAPORE



- The hotel industry has experienced robust growth with hotel room revenue rising by c. 7% to SGD 4 billion in 2018;
- Hotels occupancy has also been stable between 83% and 86% over the last 5 years – occupancy rates increased to 86% in 2018 and are set to increase beyond this.

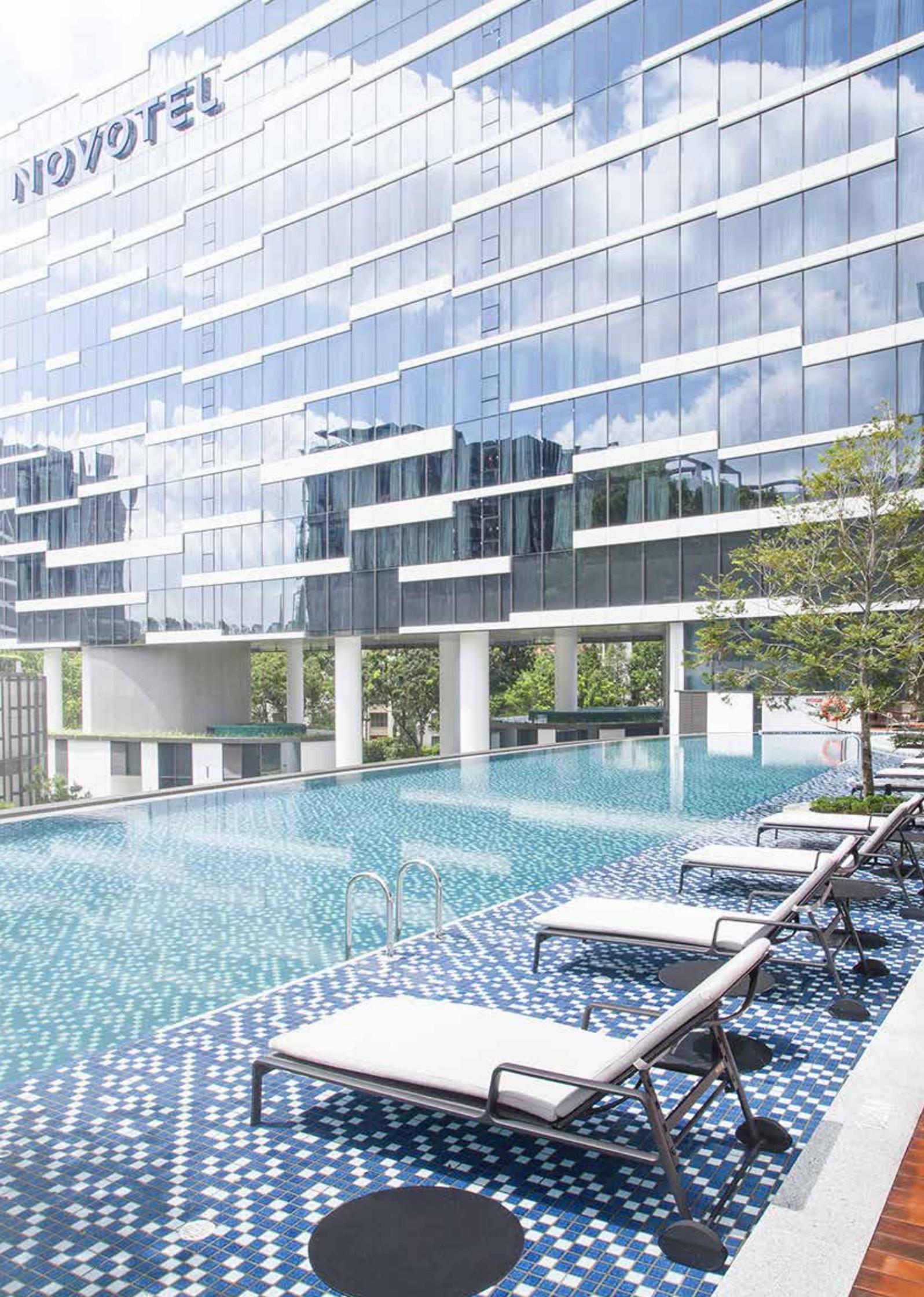
Note: Rates are inclusive of service charge
 Source: JLL, Industry Sources

Limited Future Supply & Strong Demand to Drive Rates till 2022

HOTEL SUPPLY IN SINGAPORE



- Between 2019 to 2022, future hotel supply is expected to increase by less than 1% per annum on existing stock, further supporting the trend for continual room rates and occupancy growth;
- Over the medium term, hotel supply is likely to remain muted due to the limited number of government land sites earmarked for hotel use along with the recent increase in development charges for hotel use, that limit the conversion of existing developments into hotel sites.





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