



OXLEY HOLDINGS LIMITED

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

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- (1) **PROPOSED SHARE SPLIT**
(2) **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF SHARES**
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1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Oxley Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing:

- (i) a share split of every ten (10) ordinary shares ("**Shares**") in the capital of the Company into eighteen (18) Shares, upon the completion of which the Company shall have an issued and paid-up share capital of S\$118,445,000 comprising 2,680,200,000 Shares (the "**Share Split**"); and
- (ii) **following the completion of the Share Split**, a renounceable non-underwritten rights issue of up to 268,020,000 new ordinary shares (the "**Rights Shares**") in the capital of the Company, at an issue price of S\$0.170 (the "**Issue Price**") for each Rights Share, on the basis of one (1) Rights Share for every ten (10) Shares held by Entitled Shareholders (as defined below) as at a books closure date, after the completion of the Share Split, to be determined by the Directors (the "**Rights Issue Books Closure Date**"), fractional entitlements to be disregarded (the "**Rights Issue**").

The Company has appointed SAC Capital Private Limited, as the manager for the Rights Issue (the "**Manager**").

2. THE SHARE SPLIT

2.1 Terms of the Share Split

The Company proposes to split every ten (10) Shares in the capital of the Company into eighteen (18) Shares.

As at the date of this announcement (the "**Announcement**"), the Company has an issued and paid-up share capital of S\$118,445,000 comprising 1,489,000,000 issued Shares. Following the completion of the Share Split, the Company will have an issued and paid-up share capital of S\$118,445,000 comprising 2,680,200,000 issued Shares.

All Shares arising from the Share Split shall rank *pari passu* with each other. The shareholders of the Company (the "**Shareholders**") are not required to make any payment to the Company in respect of the Share Split.

2.2 Rationale for the Share Split

The Directors believe that the Share Split is beneficial to the Company and its Shareholders for the reasons set out below:-

(i) *Increase market liquidity of the Shares*

The Share Split may improve market liquidity of the Company's Shares over time as the reduced price of each board lot will make the Shares more accessible and attractive to both existing and potential investors.

(ii) *Broaden the Shareholder base*

With the increased number of Shares available for trading purposes, the Share Split may also broaden the Shareholder base of the Company by improving the accessibility of an investment in the Company to potential investors.

Shareholders should note, however, that there can be no assurance that the abovementioned can be achieved as a result of the Share Split, nor is there any assurance that such a result can be sustained in the longer term. Shareholders should also note that there can be no assurance that the market price of the Shares after the completion of the Share Split would be equal to or higher than the theoretical post-Share Split Share price of S\$0.221 (based on the weighted average Share price of S\$0.397 for the one-month period prior to this Announcement) (the "**Theoretical Post-Share Split Share Price**").

2.3 Approvals for the Share Split

The Share Split is subject to the approval of Shareholders by way of an ordinary resolution at an extraordinary general meeting of the Company to be convened, and the receipt of a listing and quotation notice from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of all the additional Shares, being 1,191,200,000 Shares, arising from the Share Split.

3. THE RIGHTS ISSUE

3.1 Terms of the Rights Issue

The Rights Issue is proposed to be made on a renounceable basis to the Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, are in Singapore as at the Rights Issue Books Closure Date, or who have, at least three (3) market days prior to the Rights Issue Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Entitled Shareholders**").

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares (if any), or be disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

The Issue Price of S\$0.170 for each Rights Share represents a discount of approximately:-

- (i) 23.1% to the Theoretical Post-Share Split Share Price of S\$0.221 per Share; and
- (ii) 21.3% to the theoretical ex-rights Share price of S\$0.216 per Share.

The Rights Shares will be payable in full upon acceptance and/or application, and when allotted and issued, will rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

In the allotment of the excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares. The Company will also not make any allotment and issuance of any excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting. As at the date hereof, the Company does not have any treasury shares.

Maximum Scenario. Following the Share Split, the Company will have 2,680,200,000 issued Shares. Based on the foregoing, a maximum of 268,020,000 Rights Shares will be issued pursuant to the Rights Issue. Assuming that all the Rights Shares are fully subscribed for by the Entitled Shareholders, 268,020,000 Rights Shares will be issued pursuant to the Rights Issue (the “**Maximum Scenario**”).

Minimum Scenario. Assuming that only Mr Ching Chiat Kwong (“**Mr Ching**”), Mr Low See Ching (“**Mr Low**”), Mr Tee Wee Sien (“**Mr Tee**”) and Bullish Investment Pte. Ltd (“**Bullish**”) (collectively, the “**Undertaking Shareholders**”) subscribe for their respective entitlements of Rights Shares pursuant to the respective Deeds (as defined below), and none of the other Shareholders subscribes for their entitlements of Rights Shares, a minimum of 221,510,475 Rights Shares will be issued pursuant to the Rights Issue (the “**Minimum Scenario**”).

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Manager, may deem fit. The final terms and conditions of the Rights Issue will be contained in the offer information statement (including the accompanying application forms) to be despatched by the Company to the Entitled Shareholders in due course (the “**Offer Information Statement**”).

3.2 Purpose of the Rights Issue and the Use of Proceeds

The purpose of the Rights Issue is to strengthen the capital base of the Company, to provide opportunities for Shareholders to continue participating in the development and growth of the Company and to reduce the Company’s gearing by the settlement of the Loans (as defined below).

Mr Ching, Mr Low and Mr Tee had previously granted loans to the Company to fund the Group’s investments in property and development projects (the “**Loans**”). The aggregate amount of the Loans due and owing to Mr Ching, Mr Low and Mr Tee as at 30 June 2012 and the interest accrued on the Loans up to 31 October 2012 is estimated to be approximately \$36.52 million.

Whilst the Group had cash and cash equivalents of approximately S\$205.14 million as at 30 June 2012 (based on the unaudited full year financial statements of the Company for the financial year ended 30 June 2012, as announced on 23 August 2012), approximately S\$184.46 million of such cash and cash equivalents were held in the project accounts maintained in respect of the respective development projects. The withdrawal of monies from the project accounts is regulated by the Housing Developers (Project Account) Rules. As such, the monies in the project accounts are not freely available for use as working capital by the Group when the relevant development projects have not been completed.

The net proceeds of the Rights Issue (the “**Net Proceeds**”), after deducting estimated expenses of approximately S\$0.20 million, are expected to range between S\$37.46 million and S\$45.36 million, depending on the number of Rights Shares subscribed for by the Shareholders (other than the Undertaking Shareholders pursuant to the Deeds).

The Company intends to utilise the Net Proceeds as follows:-

- (a) the sum of S\$36.52 million to repay the Loans; and
- (b) the balance of the Net Proceeds will be used for the Group’s general working capital requirements to fund its existing and new property investments and development projects.

The breakdown on the use of Net Proceeds under the Maximum Scenario and the Minimum Scenario is set out as follows:-

	Maximum Scenario (S\$ million)	Minimum Scenario (S\$ million)
Repayment of the Loans	36.52	36.52
General working capital	8.84	0.94

The Company will make periodic announcements on the utilisation of the proceeds from the Rights Issue when such proceeds are significantly disbursed and will provide a status report on the use of such proceeds in the Company’s annual report.

Pending the deployment of the proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem fit in the interest of the Company.

3.3 Irrevocable Undertakings

As at the date of this Announcement, Bullish holds 759,390,000 Shares, Mr Ching holds 174,407,500 Shares, Mr Low holds 110,085,450 Shares and Mr Tee holds 186,730,800 Shares. Following the completion of the Share Split, Bullish, Mr Ching, Mr Low and Mr Tee will own an aggregate of 2,215,104,750 Shares (the “**Existing Shares**”), representing approximately 82.65% of the total number of issued Shares.

To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, the Undertaking Shareholders have, on 24 August 2012, pursuant to their respective deed of undertakings (the “**Deeds**”), unconditionally and irrevocably undertaken to the Company, amongst others, that:

- (a) they will and will ensure that they remain as the beneficial owners of their Existing Shares up until and including the Rights Issue Books Closure Date and will not on or before such date sell, transfer or otherwise dispose of, any of the same or of any interest therein; and
- (b) they will and will procure that the registered holder(s) of the Existing Shares and (if the Existing Shares are registered in the name of The Central Depository (Pte) Limited or its nominee), the relevant account holders (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) (the “**Registered Holders**”) will, not later than the latest time and date for acceptance and payment for the Rights Shares or such other time and date as may be announced from time to time by or on behalf of the Company (the “**Closing Date**”), subscribe and pay for (or procure subscription and payment for) in accordance with the terms of the Rights Issue, at the Issue Price, all of such number of Rights Shares which may be provisionally allotted to them

and/or the Registered Holders on the basis of the Existing Shares held as at the Rights Issue Books Closure.

Based on the foregoing, the Undertaking Shareholders have undertaken to subscribe and pay for and/or procure subscription and payment for 221,510,475 Rights Shares.

Mr Ching and Mr Low hold 59.51% and 40.49% in the issued and paid-up share capital of Bullish respectively. Accordingly, they have agreed that part of the loan amounts owing to them by the Company shall be set-off against the full amount of the subscription monies payable by Bullish for its entitlement of Rights Shares. The balance amounts of the Loans owing to Mr Ching and Mr Low by the Company shall be set-off against part of the subscription monies payable by each of them for their entitlements of Rights Shares.

The amount owed to Mr Tee by the Company shall be set-off against part of the subscription monies payable by him for his entitlement of Rights Shares.

As the subscription monies payable by Bullish for its entitlement of Rights Shares will be set-off in full against the Loans, Bullish will not be required to provide any letter of confirmation of financial resources to pay such subscription monies. As confirmation that Mr Ching, Mr Low and Mr Tee have the necessary financial resources to pay the subscription monies for the portion of their entitlements of Rights Shares which are not set-off against the amounts owing to them by the Company (the "**Balance Subscription Monies**"), they had advanced their respective portions of the Balance Subscription Monies without interest to the Company in accordance with the terms and conditions of advance agreements entered into by each of them with the Company on 24 August 2012.

In view of the Deeds provided by the Undertaking Shareholders, the savings in cost by the Company as a result of not having to pay any underwriting fees and there being no minimum amount to be raised from the Rights Issue, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

The obligations of the Undertaking Shareholders under the Deeds are subject to and conditional upon, *inter alia*, the receipt of a listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares on Catalist and, if such approval is granted subject to conditions, such conditions being acceptable to the Company, and such approval not having been withdrawn or revoked on or prior to the Closing Date.

3.4 Directors' Opinion in relation to the Rights Issue

The Directors are of the reasonable opinion that, after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the foregoing, the Company is undertaking the Rights Issue to further strengthen the Group's financial position.

The Directors are also of the reasonable opinion that, after taking into consideration the Group's present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

3.5 Approvals for the Rights Issue

The Rights Issue is subject to, *inter alia*, the following:-

- (a) the submission by the Company's sponsor to the SGX-ST of the confirmations required in Appendix 8B of Section B: Rules of Catalist of the Listing Manual of the SGX-ST;
- (b) the receipt of a listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on Catalist, if such approval is granted subject to conditions, such conditions being acceptable to the Company, and such approval not having been withdrawn or revoked on or prior to the Closing Date; and

- (c) the lodgement of the Offer Information Statement with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore.

The Rights Issue is to be made pursuant to the general share issue mandate to be obtained from Shareholders at the forthcoming annual general meeting of the Company.

An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares on Catalist. An appropriate announcement on the outcome of the application will be made in due course.

3.6 Eligibility of Shareholders to Participate in the Rights Issue

Entitled Depositors. Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Rights Issue Books Closure Date (the “**Depositors**”) will be provisionally allotted Rights Shares entitlements on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Rights Issue Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Rights Issue Books Closure Date or if they have registered addresses outside Singapore must provide CDP, at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807, with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Rights Issue Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

Entitled Scripholders. Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (the “**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Rights Issue Books Closure Date by the Company’s share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Share Registrar**”) in order to be registered to determine the transferee’s provisional allotments of Rights Shares entitlements under the Rights Issue.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Rights Issue Books Closure Date or if they have registered addresses outside Singapore must provide the Share Registrar at 50 Raffles Place #32-01 Singapore 048623 with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Rights Issue Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

Entitled Depositors and Entitled Scripholders shall be collectively referred to as “**Entitled Shareholders**” in this Announcement.

3.7 Foreign Shareholders

For practical reasons and in order to avoid any violation of securities legislation applicable in countries other than Singapore, the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Rights Issue Books Closure Date and who have not, at least three (3) market days prior thereto, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”).

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares entitlements which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil paid” on Catalist after dealings in the provisional allotments of Rights Shares commence, or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Mr Ching and Mr Low are Directors and substantial Shareholders of the Company, while Mr Tee and Bullish are substantial Shareholders of the Company. Each of Mr Ching, Mr Low and Mr Tee has an interest in the Rights Issue as their subscription monies for their entitlements of the Rights Shares will be partially set-off against the Loans. As Mr Ching and Mr Low are the shareholders of Bullish, Bullish is considered to have an interest in the Rights Issue as its subscription monies for its entitlement of the Rights Shares will be set-off against the Loans.

In view of the interests of Mr Ching and Mr Low in the Rights Issue, each of Mr Ching and Mr Low has abstained from participating in the board deliberation on, and voting on the board resolution approving, the terms of the Rights Issue.

Save as disclosed above, none of the Directors (other than in his capacity as Director or Shareholder of the Company) or substantial Shareholder of the Company has any interest, direct or indirect, in the Share Split and the Rights Issue.

5. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Share Split, the Rights Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

By Order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
24 August 2012

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.