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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Oxley Holdings Limited

Stock code: 5UX

Meeting details:

Date: 29 Oct 2024

Time: 2.00 p.m.

Venue: Polaris Ballroom, Level 1, Novotel & Mercure Singapore on Stevens, 28 Stevens Road, Singapore 257878

Q1. Would the board/management provide shareholders greater clarity on the following operational and financial matters? Specifically:

- (i) **Singapore:** As the group no longer has active projects in Singapore, can management provide their perspective on the current state of the local real estate market? Are there any concrete plans to re-enter the market, and if so, what strategies will the group adopt to identify and pursue new opportunities?
- (ii) **Oxley Towers KLCC (Malaysia):** Can management clarify how many units of the 857-unit Oxley Towers KLCC have been (a) launched and (b) sold? The chairman stated 62% of the launched units have been sold while the project update shows a 58% sale of launched units as of 16 September 2024. Can management provide insights into the price trends in the KLCC residential sub-market? Separately, can management clarify whether the sale of the 30% of the hotel in Tower 2 of Oxley Towers KLCC was driven by liquidity concerns? How was the sale price determined?
- (iii) **Riverscape (formerly known as Deanston Wharf):** Out of the 769 units, what is the breakdown between private residential units and social affordable housing? Has there been any significant delay in the handover of these units? What is the strategy to maximise the value of the unsold units, particularly given the current market dynamics?
- (iv) **Hotel:** While the hotel segment has reported higher operating profits of \$14.6 million (2023: \$12.3 million), finance costs remain substantial at \$(39.4) million (2023: \$35.9 million). Was the original investment thesis based on an assumption of low interest rates? Has the increase in interest rates impacted the financial sustainability of these hotels, or have the hotels underperformed compared to management's expectations?

Q2. As at 30 June 2024, the group's gearing remains relatively elevated, at 1.45 times, with outstanding bank borrowings and fixed-rate notes amounting to \$1.37 billion.

- (i) Can the board provide an update on the group's capital allocation strategy?**
- (ii) Have the group's investment criteria been refined in response to current market uncertainties? Specifically, how does the board assess and mitigate project development risks, particularly in foreign countries with heightened geopolitical and economic volatility?**

The current financial liabilities amounted to \$1.08 billion as at 30 June 2024, of which the interest rates are as high as 11.51%. In particular, \$709 million of secured banking facilities are due within the next 12 months.

- (iii) What are the key risks to refinancing the \$709 million in secured bank loans due within the next 12 months? Does management have contingency plans in place, should refinancing terms become unfavourable?**
- (iv) What is the board's outlook on interest rate trends, and how is this influencing the group's interest risk management strategy? What specific steps are being taken to minimise interest costs?**

Q3. The non-executive directors, Mr Ng Weng Sui Harry, Mr Phua Sian Chin, and Mr Lim Yeow Hua @ Lim You Qin, were first appointed on 28 September 2010, 28 September 2010, and 30 April 2014, respectively.

As such, all three long-tenured directors will be retiring at the forthcoming annual general meeting. The board has set the goal of appointing new independent directors to replace them before the AGM (see below).

Targets	Progress
Replace all independent directors who have served for more than nine years before the annual general meeting for FY2024	The Board will appoint new independent directors to replace the current independent directors who have served for more than nine years

(Source: Corporate governance report)

The nominating committee (NC) comprises all three long tenured directors, with Mr Phua Sian Chin serving as its chair.

- (i) **Can the NC, particularly the chair, provide shareholders with insights into whether it has effectively managed the progressive renewal of the board, given that all independent directors are retiring on the same day?** The 9-year limit on independent director tenure was announced more than 20 months ago by SGX RegCo in January 2023.
- (ii) **With the current “all-out, all-in” arrangement, how does the board plan to retain and transfer the institutional knowledge (if any) that the retiring independent directors have accumulated over their tenure to ensure continuity and a seamless transition for the new board members?**
- (iii) **Has the NC effectively discharged its duties in overseeing board succession? Were there any significant difficulties encountered in identifying or recruiting new directors, particularly with regard to ensuring they have the right skill set to complement the board?**
- (iv) **Is there a risk that the lack of continuity and the absence of institutional knowledge will leave the new board facing a steep and unnecessary learning curve?**
- (v) **Has the NC reviewed the current board skills matrix to identify any gaps in expertise that need to be addressed? How will the board ensure that the new directors collectively possess the relevant industry knowledge, governance experience, and strategic insight to lead the group forward?**



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