

ASX CODE

AXI

ISSUED CAPITAL

Ordinary Shares
411.3 M

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Oriental
University City
东方大学城

12 June 2015

ASX ANNOUNCEMENT

AXIOM FORMS STRATEGIC PARTNERSHIP ORIENTAL UNIVERSITY CITY HOLDINGS (H.K.) LIMITED SUBSCRIPTION AGREEMENT

Adelaide, Australia, Friday 12 June 2015: Axiom Properties Limited (ASX:AXI)

Axiom Properties Ltd ("Axiom") is delighted to announce it has formed a Strategic Partnership with Oriental University City Holdings (H.K.) Limited ("OUC"), a University City established in China in 1999 and recently listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

As part of that Strategic Partnership, Axiom and OUC have entered into a Subscription Agreement for the issue of up to 5% of new shares in Axiom, the key terms of which are as follows:

- OUC must first acquire a minimum of 14.9% of Axiom shares on-market by 12 August 2015. By that date, OUC must obtain any required regulatory approvals to enable it to acquire any additional shares or other securities in Axiom, including under the Foreign Acquisitions and Takeovers Act 1975 (Cth);
- If OUC has satisfied these obligations, it will then endeavour to purchase up to an additional 5% of the issued shares of Axiom on-market at or below 6 cents per share by 30 November 2015;
- If OUC has complied with all of its obligations under the Subscription Agreement and has not purchased the additional 5% of Axiom's shares on-market by 30 November 2015, Axiom will issue OUC sufficient new shares (of approximately 5% ranking equally with its existing shares) at 6c per share so that OUC will obtain a 19.9% shareholding interest in Axiom.

Additionally, Axiom has offered one board position to OUC, which will be occupied by Mr Liu Ying Chun. Mr Liu is currently the Chief Executive Officer and Executive Director of OUC.

Oriental University City is a district located in Langfang Economic and Technological Development Zone. It was one of the earliest university cities established in the People's Republic of China ("PRC"), constructed in 1999, and is located close to well-developed transportation infrastructure and a growing metropolitan region in close proximity to various economic development zones in Beijing and Tianjin. OUC owns and leases education and ancillary facilities, comprising primarily teaching buildings and accommodation facilities to education institutions in the PRC.

Currently, the Oriental University City campus occupies approximately 500,000 square metres in gross site area, accommodating a population of more than 19,000 students in 120,000 square metres of buildings and 165,000 square metres of accommodation facilities. Additionally, OUC hosts more than 10 education institutions incorporated within the campus.

OUC's major shareholder is Raffles Education Corporation Limited ("REC"), the largest premier private education provider, owner and manager of education assets and facilities, and education-linked real estate investor and developer in the Asia and Pacific Region. REC is listed on The Singapore Stock Exchange and currently provides a full spectrum of education services through a network of 31 colleges and universities in 29 cities across 12 countries globally.

Through the Strategic Partnership announced today, Axiom and OUC will jointly explore opportunities in the education and student accommodation sectors in the Australian market as well as within the Asian Pacific region.

Commenting on the Strategic Partnership, OUC's Chairman Mr Chew Hua Seng said, "We are delighted to have this opportunity to invest in Axiom. With our combined knowledge and expertise, we are confident to expand our student accommodation business into Australia particularly in Adelaide where Axiom has a big presence and create value for both our shareholders."

In welcoming the OUC involvement, Axiom's Chairman, Ian Laurance AM said, "this tie-up with a substantial international corporation represents a quantum leap for Axiom. We look forward to pursuing opportunities across Australia and other regions with our new equity stakeholder and partner."

Today's announcement follows on from Axiom's previous release outlining the establishment of a new division to investigate opportunities in the Student Accommodation sector.

This announcement is made solely by Axiom for the purpose of Axiom's compliance with ASX Listing Rules and the Corporation Act 2001 (Cth).

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About Axiom Properties Ltd

Axiom Properties Ltd is a property development and investment business focused on developing and delivering quality property solutions. Axiom's principal objective is to create long term value for shareholders through creating a well-respected property development and investment company that consistently delivers above industry returns on capital.

For more information, please contact:

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