

## ASX CODE

AXI

## ISSUED CAPITAL

Ordinary Shares  
427.1 M

## CONTACT

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13 February 2018

## ASX ANNOUNCEMENT

### **AXIOM SECURES HOTEL OPERATOR FOR RICHMOND PROPERTY WESTERN SYDNEY**

- **Company signs conditional Agreement for Ground Lease with Estilo Group**
- **Plans for internationally recognized brand in Richmond , NSW to be developed**

**Adelaide, Australia, Tuesday 13 February 2018: Axiom Properties Limited (ASX:AXI)** is pleased to announce that it has today signed a conditional Agreement for a long term Ground Lease with Estilo Group over Axiom's hotel site at the Richmond Club in Western Sydney.

As outlined in the ASX Announcement dated 7th July 2017, Axiom entered into a conditional agreement to purchase a strategic portion of land on the site of the Richmond Club, one of Australia's oldest Serviceman's Clubs with in excess of 22,000 members. Axiom's purchase agreement with the Club was conditional on the Company entering into a binding agreement with an appropriate hotel operator to develop boutique accommodation on the site.

After an extensive search conducted by Knight Frank's Mark Litwin and Arland Domingo, the Company chose Estilo Group as the preferred hotel operator. The Estilo Group is one of Australia's only end-to-end hotel developers, hotel management and technology savvy companies providing unitized construction and technology solutions to provide a point of difference in the hotel accommodation market.

Estilo have a strategic arrangement with several international hotel companies and will soon conclude a franchise agreement for this site. Estilo will undertake the construction, commissioning and management of the hotel.

Under the terms of the agreement signed today, Axiom has agreed to lease the entire 2,212 sq.m site to Estilo Group for 99 years and Estilo Group will be obliged to seek all approvals and construct the proposed 114 room hotel. Once the conditions that Estilo Group can achieve a Development Approval for the hotel, as well as demonstrate they have the necessary financing in place to fully fund the hotel's construction, Axiom will be entitled to exercise its conditional contract to purchase the Richmond land, after it has been sub-divided by the Club.

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Commenting on today's announcement, Axiom Managing Director Ben Laurance said, "we are delighted to have entered into this arrangement with the Estilo Group who share our enthusiasm for the growth of the Western Sydney corridor and the surrounding areas". "Together with Estilo, we aim to deliver a unique and exceptional result for the Richmond Club and the wider Richmond area with the provision of a much-needed quality boutique hotel offering."

Estilo Group's CEO for Estilo Management- Clifford Olson, said, "we are excited to be working with Axiom and the Richmond Club to bring to fruition long held plans for quality accommodation to be built in Richmond. Our decision to choose this location was predicated on the strong local drivers and recent developments in the local market. We believe the style and flair of the proposed construction, coupled with an internationally recognized brand will net strong results for our investors and the local economy.

Also commenting on today's announcement, Richmond CEO Kimberley Talbot said, "We are delighted with today's announcement that a hotel operator has been selected. Once the conditions have been met, The Richmond Club intends to proceed with a multi-million dollar refurbishment program which will include the creation of new state of the art conference and function room facilities, which will link through to the new hotel".

"The greater north west has been experiencing major growth for some years and this development in Richmond is ideally placed to capitalise upon this growth. The Hawkesbury has been desperately missing this style of 'integrated' concept that successfully operates in many other major inner and western Sydney regions".

"The Board's directive to make the Club and Richmond a true destination in its own right is really in the making" said Ms Talbot. "The 20-year journey to bring a hotel to the Richmond CBD has been brought to life by Axiom, and is exciting for local economic growth, employment and tourism in the Hawkesbury and is a vision which is overwhelmingly shared by many local business leaders".

Today's agreement is subject to several conditions to be met by Estilo, which are anticipated to be satisfied over the next 9 months.

### 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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