

AMPLEFIELD LIMITED (the “Company”)
(Company Registration Number 198900188N)
(Incorporated in the Republic of Singapore)

ENTRY INTO AN AGREEMENT FOR ADDITIONAL SUBSCRIPTION OF NEW SHARES IN CITYBUILDERS PTE LTD

INTRODUCTION

The Company wishes to announce that it has on 16 June 2017 entered into a share subscription agreement (the “Agreement”) with Regional Connexion Limited (“RCL”) and Citybuilders Pte Ltd (“CBS”) (each a “Party” and collectively the “Parties”) to subscribe for new ordinary shares in, and to provide additional funding to, CBS (the “Proposed CBS Subscription”). Under the Agreement, the Company will (a) subscribe for 76,500,000 new ordinary shares (“New Shares”) in CBS for a sum of S\$15.3 million (“Consideration”) by way of partial capitalisation of an outstanding shareholders’ loan amounting to S\$18.7 million which was extended by the Company to CBS, and (b) provide additional funding of S\$15.0 million by way of a shareholder’s loan to CBS. For the avoidance of doubt, the remaining shareholders’ loan of S\$3.4 million which is not capitalised will remain outstanding and due to the Company.

Following the entry of this Agreement, the earlier share sale and purchase agreement dated 30 May 2016 entered into between RCL and the Company will be superseded.

BACKGROUND

CBS is a company incorporated in the Republic of Singapore on 13 November 2006. The issued and paid-up share capital of CBS as of the date of this announcement is S\$14.7 million, comprising 73,500,000 ordinary shares.

CBS is principally in the business of property development and related activities. Its wholly-owned subsidiary is Citybuilders (Vietnam) Co. Ltd. (“CBVN”), a company domiciled and incorporated in Vietnam. The issued and paid up share capital of CBVN is VND10.37 billion (equivalent to S\$0.62 million). CBVN’s main business activity is the provision of construction and construction management services in Vietnam. CBVN is licensed to design, build, operate and transfer different types of infrastructure-related activities in Vietnam.

DETAILS OF THE SUBSCRIPTION OF NEW SHARES IN CBS AND PROVISION OF FUNDING FOR CBS

Under the Agreement, the Company will subscribe to the New Shares in CBS for S\$15.3 million. The Consideration was arrived at after arm’s length negotiations on a willing buyer, willing seller basis and after taking into account the control premium, the book value and net tangible assets of S\$15.4 million based on the latest unaudited financial statements of CBS as at 31 March 2017, the potential of the businesses it is undertaking, including those under its subsidiary CBVN. The Consideration shall be satisfied by the partial capitalisation of an outstanding shareholder’s loan due from CBS to the Company as disclosed above.

Upon completion of the subscription of New Shares, the Company and RCL will hold 75% and 25% of the total issued share capital of CBS respectively compared to 48.98% and 51.02% previously. The total issued and paid-up share capital of CBS will be S\$30 million comprising 150,000,000 ordinary shares.

Pursuant to the Agreement, the Company as the major shareholder of CBS has also agreed to provide a shareholder’s loan of S\$15.0 million to CBS for reasons as set out in the paragraphs below entitled “Rationale for the Agreement”.

Under the terms of the Agreement, RCL has agreed to relinquish control over CBS to the Company. CBS has also undertaken to repay the shareholder’s loan of S\$19,819,994.96 extended by RCL (“RCL Shareholder Loan”) within 18 months from the completion date of this Agreement.

OTHER SALIENT TERMS & CONDITIONS

Other salient terms and conditions of the Agreement are as follows:-

- The Company shall be entitled to take over and reconstitute the management and board of directors of CBS and to amend its constitution and/or the constitution of its subsidiary company CBVN, as it deems fit; and
- Approval of the board of directors of the respective Parties.

RATIONALE FOR THE AGREEMENT

The Company had on 30 May 2017 announced the entry into a joint development agreement with SingViet City Ltd for the turnkey design, funding, construction, marketing and sale of approximately 409 units of mixed development comprising land properties, villas, shop-houses and affordable apartments on a 9.32 hectares piece of land in Ho Chi Minh City, Vietnam ("Phase 1 Development").

In lieu of the Phase 1 Development and to better rationalise the potential economic benefits that could be derived from the Phase 1 Development, the Board is of the view that the Proposed CBS Subscription is likely to enhance the long term interest of the shareholders of the Company.

SOURCE OF FUNDS

The additional shareholders loan of S\$15.0 million and repayment of RCL Shareholder Loan will be funded by, among others, the Company's debt and equity resources, including but not limited to internal and/or external fund raising, bank borrowings, progressive billings from sale and other sources.

FINANCIAL EFFECTS OF THE AGREEMENT

The Proposed CBS Subscription is not expected to have a material impact on the consolidated net tangible assets or earnings per share of the Group for the current financial year ending 30 September 2017.

DIRECTORS' AND MAJOR SHAREHOLDER INTERESTS

The executive directors of the Company, Mr Yap Weng Yau and Mr Phan Chee Shong are also directors of CBS. In addition, Mr Woon Ooi Jin, an executive director of the Company is also the general director of CBVN, a wholly owned subsidiary of CBS.

Except as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the Proposed CBS Subscription, save for their respective shareholdings in the Company.

By Order of the Board

Woon Ooi Jin
Executive Director
16 June 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or

correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.