



OLIVE TREE ESTATES LIMITED
(Company Registration No. 200713878D)
(Incorporated in the Republic of Singapore)

PROPOSED SALE OF THE COMPANY'S INTERESTS IN FIVE (5) JOINT-VENTURE REAL ESTATE DEVELOPMENT PROJECTS IN VIETNAM

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of Olive Tree Estates Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 13 December 2024 entered into five (5) sale and purchase agreements (collectively, the "**SPAs**"), with Tjoa Thian Song (the "**Purchaser**"), to divest all of the Company's interests in its five (5) joint-venture real estate development projects in Vietnam (the "**Vietnamese Assets**") to the Purchaser for an aggregate cash consideration of US\$5.97 million (or approximately S\$8.00 million based on the exchange rate of US\$1.00:S\$1.34¹ as at 12 December 2024), on and subject to, the terms of the respective SPAs (the "**Proposed Divestment**").
- 1.2 The Proposed Divestment constitutes a major transaction under Chapter 10 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and is therefore subject to the approval of the shareholders (the "**Shareholders' Approval**") of the Company (the "**Shareholders**"). The Company intends to convene an extraordinary general meeting (the "**EGM**") to seek the approval of the Shareholders for the Proposed Divestment and further information on, among others, the Proposed Divestment will be provided in a circular to be issued by the Company (the "**Circular**") in due course.

2. INFORMATION ON THE VIETNAMESE ASSETS

The Vietnamese Assets comprise the Company's: (A) minority shareholding interests in, and shareholder's loans to, four (4) Vietnamese-incorporated companies (the "**Vietnamese Companies**") and (B) a minority shareholding interest in, and shareholder's loans to, a Singapore-incorporated company which is a major shareholder of a Vietnamese-incorporated

¹ source: Oanda FX data services: <https://www.oanda.com/currency-converter/en/?from=USD&to=SGD&amount=1>

company (the "**Singapore Company**"). The Vietnamese Companies and the Singapore Company have interests in five (5) real estate development projects in Vietnam – the Dao Tri Project, two (2) Binh Duong Projects, the Ha Long Project, and the Hai Phong Project.

Details of the Vietnamese Companies and Singapore Company are set out below:-

Project Reference	Name of associated company	Principal activity	Country of incorporation	Proportion of shares held by the Company (%)
Binh Duong Project	JME Investment Pte Ltd	Property Development	Singapore	13.33
Ha Long Project	Bai Chay National Housing Organization Joint Stock Company (" Bai Chay ")	Property Development	Vietnam	8.17
Dao Tri Project	National Housing Organization – Phu My 2 Joint Stock Company	Property Development	Vietnam	8.17
1.3ha Binh Duong Project	Thuan Ann 2 National Housing Organization Joint Stock Company	Property Development	Vietnam	8.17
Hai Phong Project	Hong Bang 2 National Housing Organization Joint Stock Company	Property Development	Vietnam	8.17

On 28 May 2019, the Company announced that the Company's proposed investments in the Dao Tri Project, the Binh Duong Project and the Ha Long Project had been completed. The Company had invested a total of US\$3.70 million in the aforementioned projects. On 6 February 2020 and 2 June 2020, the Company announced that it had entered into various definitive investment agreements for the purposes of acquiring an interest in the Hai Phong Project and the 1.3ha Binh Duong Project respectively for approximately US\$2.00 million in total. As of the date of this announcement, the Company has invested a total of approximately US\$5.70 million (or approximately S\$7.64 million) in these five (5) real estate development projects across Vietnam.

3. INFORMATION ON THE PURCHASER

- 3.1 The Purchaser is an independent investor with wide-ranging interests across various asset classes such as technology, education and real estate. He has been an active venture capital investor since the late-90's. More recently, he has focused on social impact investments, culminating with the founding of Clarion Newlife Capital ("**Clarion**") in 2021. Clarion invests in and partners with sustainable enterprises in Asia to address the holistic alleviation of poverty. The Purchaser also serves on the boards of numerous private companies and non-

profit organisations. In his personal capacity, he leads a refugee learning centre in a neighbouring country.

- 3.2 The Purchaser is a passive minority investor in Emerging Markets Affordable Housing Fund Pte Ltd ("**EMAHF**") and Vietnam Real Estate Fund Pte Ltd ("**VREF**"). EMAHF and VREF are closed-end private equity real estate funds managed on a discretionary basis by Providence Capital Management Pte Ltd ("**PCM**"). PCM is jointly owned by Terrance Tan Kong Hwa ("**TT**") and Long Chee Tim, Daniel ("**DL**"). Whilst TT and DL are directors of PCM and DL is the Chief Executive Officer and Director of the Company, DL is not an investment committee member of both EMAHF and VREF.
- 3.3 As of the date of this announcement, to the best of the Company's knowledge, the Purchaser does not have any existing interest (whether direct or deemed) in the share capital of the Company and is not related to any of the Company's directors and/or controlling shareholders.
- 3.4 There is no introducer or referrer involved in the Proposed Divestment, and there is no referral fees or commission fees or introducer fees or any other fees payable to any person or entity with respect to the Proposed Divestment.

4. RATIONALE FOR THE PROPOSED DIVESTMENT

- 4.1 The Board is of the view that, having regard to the terms of the Proposed Divestment, the Proposed Divestment is in the best interests of the Group as the sale proceeds from the Proposed Divestment will significantly contribute to and strengthen the Company's liquidity position on an urgent basis given the challenges faced by the Company in securing financing through other means. The Proposed Divestment will allow the Company to better focus its efforts on growing a portfolio of real estate assets and services which are better able to provide recurring income and cash flows to the Group.
- 4.2 Accordingly, the Board believes that the Proposed Divestment is in the best interests of the Company and the Shareholders, having regard to the terms of the Proposed Divestment.

5. PRINCIPAL TERMS OF THE SPAS

- 5.1 The total consideration for the Proposed Divestment is US\$5.97 million (or approximately S\$8.0 million), and will be payable in full and in cash by the Purchaser on the completion of the Proposed Divestment.
- 5.2 The total consideration for the Proposed Divestment was arrived at following arm's length negotiations between the Company and the Purchaser, on a willing-buyer, willing-seller basis, after taking into consideration the indicative valuation of the Company's pro rata share of the value of the land and development projects held by the Vietnamese Companies and Singapore Company as provided by VAS Valuation Co, Ltd (in association with CBRE Vietnam) as well as the Company's immediate and urgent need to improve its liquidity position. Pursuant to Rule 1014(5) of the Catalist Rules, the Company must appoint a competent and independent valuer to value the Vietnamese Assets as the bases set out in Rule 1006(b) of the Catalist Rules for

the Proposed Divestment exceeds 75%. Details on the independent valuer and the valuation will be set out in the Circular. For the avoidance of doubt, the total consideration for the Proposed Divestment has been fixed and will not be subject to downward revisions arising from the valuation conducted by such independent valuer's assessment.

- 5.3 In the event that the Company receives a cash payment from Bai Chay prior to the completion of the Proposed Divestment pursuant to the redemption of some or all of the shareholder's loan to Bai Chay, such cash payment will be paid to the Purchaser following the completion of the Proposed Divestment. There will be no adjustment to the total consideration for the Proposed Divestment as a result of such payments.
- 5.4 The completion of the Proposed Divestment is subject to and conditional upon, amongst others, the fulfilment (or waiver by the party who is entitled to waive the relevant condition) of the following conditions by such date which is no later than 180 calendar days from the date of the SPAs (or such other date as the parties may mutually agree in writing):
- (a) the representations and warranties given by the Company and the Purchaser under the SPAs being true, accurate and not misleading in all material respects on the date of the SPAs and on completion;
 - (b) no government agency having enacted, issued, promulgated, enforced, or entered into any statute, rule, regulation, judgment, decree, injunction, or other order, that would prohibit, or make illegal the consummation of the transactions contemplated under the SPAs;
 - (c) all necessary corporate approvals of each of the Company and the Purchaser in accordance with its constitutional documents with respect to the sale and purchase of the Vietnamese Assets and other transactions contemplated under the SPAs having been duly obtained (including the receipt by the Company of the approval of its shareholders for the Proposed Divestment) and such approvals not having been withdrawn or revoked and remaining in full force and effect on the completion date of the Proposed Divestment; and
 - (d) the Purchaser having received the relevant approvals to be issued by the relevant competent government agency for the Purchaser's acquisition of the Vietnamese Assets (if applicable).
- 5.5 The Purchaser has agreed to grant the Company the right (but not the obligation) for the period starting from the date of the SPAs to 12 January 2025 (both dates inclusive) to, if appropriate, negotiate for the Vietnamese Assets to be sold to another party on terms more favourable than those set out in the SPAs and terminate the SPAs without penalty in order to effect the sale of the Vietnamese Assets to such other party.
- 5.6 Subject to the fulfilment of the conditions as summarised above, completion of the Proposed Divestment will take place on such date falling three (3) business days after the satisfaction and/or waiver of all the conditions (save for those which by their nature are to be satisfied on completion), or such other date as the Company and the Purchaser may agree.

- 5.7 No person is proposed to be appointed to the Board in connection with the Proposed Divestment. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

6. INTERESTS OF DIRECTORS AND SHAREHOLDERS

As at the date of this announcement, none of the Directors, the Company's substantial Shareholder and their respective associates has any shareholding interests, direct or indirect, in the Proposed Divestment. Further and save as disclosed in respect of DL above, none of the Directors, the Company's substantial Shareholders and their respective associates is related to or has any business connections to the Purchaser, the directors, substantial shareholders or the respective associates of the Purchaser.

7. USE OF PROCEEDS

- 7.1 The total consideration payable for the Proposed Divestment is US\$5.97 million (or approximately S\$8.00 million). The net proceeds of the Proposed Divestment of approximately S\$7.90 million, after deducting estimated expenses of approximately S\$0.10 million (the "**Net Proceeds**"), will be used for general working capital and to service existing debt obligations.
- 7.2 Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets, marketable securities and/or debt instruments, as the Directors may deem appropriate in the interests of the Group.
- 7.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such funds are materially disbursed, and provide a status report on the utilisation of the Net Proceeds in the Company's annual report and financial results announcement. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been utilised in its announcements and its annual reports. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

8. RELATIVE FIGURES FOR THE PROPOSED DIVESTMENT

- 8.1 The relative figures for the Proposed Divestment as computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the Vietnamese Assets, compared with the Group's net asset value	78.44% ⁽¹⁾
(b)	Net profits attributable to Vietnamese Assets, compared with the Group's net profits	678.75% ⁽²⁾

(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation	67.04% ⁽³⁾
(d)	Number of equity securities issued by the Company as consideration for the proposed acquisition, as compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves	Not applicable ⁽⁴⁾

Notes:

- (1) Based on the Group's financial statements for the six-month period ended 30 June 2024 the net asset value of the Vietnamese Assets of S\$8.01 million divided by the Group's net asset value of S\$10.21 million.
- (2) Based on the Group's financial statements for the six-month period ended 30 June 2024 the net profit of the Vietnamese Assets of S\$0.54 million divided by the Group's net profit of S\$0.08 million.
- (3) Based on the total consideration of the Proposed Divestment of S\$8.0 million divided by the Company's market capitalisation of S\$11.93 million as of 12 December 2024 (being the last market day on which the ordinary shares of the Company (the "**Shares**") were traded preceding the signing of the SPAs). The market capitalisation of the Company is determined by multiplying the Shares in issue (being 115,847,711 Shares, excluding treasury Shares) by the weighted average price of S\$0.103 of such Shares transacted on 12 December 2024.
- (4) Rules 1006(d) and 1006(e) of the Catalist Rules are not relevant to the Proposed Divestment.

- 8.2 As the relative figures calculated on the bases set out in Rule 1006 of the Catalist Rules exceed 50%, the Proposed Divestment is considered a major transaction under Chapter 10 of the Catalist Rules, and is therefore conditional upon the approval of the Shareholders at the EGM to be convened. The Circular will be despatched to Shareholders in due course.

9. FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

- 9.1 The pro forma financial effects of the Proposed Divestment set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Proposed Divestment.
- 9.2 The pro forma financial effects of the Proposed Divestment on the Group have been computed based on the latest audited consolidated financial statements of the Group for the most recently completed financial year (i.e. the financial year ended 31 December 2023) and the following bases and assumptions:

- (a) the expenses incurred in connection with the Proposed Divestment amount to be approximately S\$0.10 million;
- (b) the financial effect on the consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Proposed Divestment was completed, on 31 December 2023; and
- (c) the financial effect on the loss per Share is computed based on the assumption that the Proposed Divestment was completed on 1 January 2023.

NTA per Share

As of 31 December 2023	Before completion of Proposed Divestment	After completion of Proposed Divestment
NTA of the Group (S\$'000)	10,222	10,656
Weighted Average Number of Shares (‘000)	115,848	115,848
NTA per Share (Singapore cents)	8.82	9.20

Loss per Share

As of 1 January 2023	Before completion of Proposed Divestment	After completion of Proposed Divestment
Loss attributable to the shareholders of the Group (S\$'000)	765	331
Number of Shares (‘000)	115,848	115,848
Loss Per Share (Singapore cents)	0.66	0.29

- 9.3 Based on the latest unaudited consolidated financial statements of the Group for the six-month period ended 30 June 2024, the book value of the Vietnamese Assets was S\$8.01 million. The net tangible asset value of the Vietnamese Assets was S\$8.01 million. As such the Net Proceeds of approximately S\$7.90 million represent a loss of approximately S\$0.11 million over the book value of the Vietnamese Assets. Accordingly, the Group expects to recognise a net loss on disposal in respect of the Proposed Divestment of approximately S\$0.11 million. Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023, the book value of the Vietnamese Assets was S\$7.47 million. The Net Proceeds of approximately S\$7.90 million represents a gain of approximately S\$0.43 million over the book value of the Vietnamese Assets as at 31 December 2023.

10. DOCUMENTS FOR INSPECTION

A copy of the SPAs is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

11. FURTHER ANNOUNCEMENTS AND CAUTIONARY STATEMENT

- 11.1 The Company will make the appropriate announcements as and when there are material developments on the Proposed Divestment.
- 11.2 Shareholders are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Divestment will proceed to completion, as the completion is subject to, amongst others, fulfilment of all the conditions precedent in the respective SPAs. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

Long Chee Tim, Daniel
Chief Executive Officer and Executive Director
13 December 2024

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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