

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

**COVENANT PARTNERSHIP AGREEMENT BETWEEN OLIVE TREE ESTATES LIMITED,
NATIONAL ORGANIZATION JOINT STOCK COMPANY AND EMERGING MARKETS
AFFORDABLE HOUSING FUND PTE LTD**

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as in the Company's announcements dated 2 October 2018 and 31 December 2018.

Introduction

The board of directors of the Company (the "**Board**") is pleased to announce that the Company, National Housing Organization Joint Stock Company ("**NHO**") and Emerging Markets Affordable Housing Fund Pte Ltd ("**EMAHF**") had on 18 March 2019 entered into a Covenant Partnership Agreement ("**CPA**") which expresses the Company's, NHO's and EMAHF (collectively, the "**Parties**") mutual understanding regarding the proposed initial acquisition and co-development of four projects in Ho Chi Minh City, Binh Duong, Ha Long and Hai Phong, Vietnam ("**Initial Development Plan**"). The CPA follows on from an MOU which was signed between the Company and NHO on 1 October 2018.

The Board is also pleased to announce that in addition to the CPA, the Company, NHO and EMAHF have today signed various definitive investment agreements relating to one of the four projects (namely, the "**Binh Duong Project**") detailed in the Initial Development Plan (the "**Binh Duong Project-level Agreements**").

Information on the Initial Development Plan

If the acquisition of the land parcels, which are subject to the Initial Development Plan, is successful and all requisite permits and licenses are secured, the Initial Development Plan is likely to yield approximately 4,000 affordable homes and 500 commercial units in purpose-built mixed-developments across Vietnam ("**OTNHO Mixed Developments**"). It is currently anticipated that the OTNHO Mixed Developments will have an estimated aggregate gross development value in excess of US\$300 million and the Parties intend for the OTNHO Mixed Developments to showcase and deploy the Company's integrated social impact solution, comprising quality affordable homes and a suite of accessible and customised community development and family support services.

Apart from the Initial Development Plan, the Company and NHO are actively sourcing for other suitable development projects in Vietnam for the purposes of principally residential real estate development.

On 31 December 2018, the Company announced that it was in the final phase of due diligence with respect to the OTNHO Mixed Developments and barring unforeseen circumstances, hopes to enter into definitive agreements with NHO and other strategic partners shortly.

The Company has and will continue to second such management and technical personnel to Vietnam to assist NHO and provide such general strategic oversight as may be required from time to time and has successfully assisted NHO with the financing and securing of finance for the OTNHO Mixed Developments. The Company and NHO have also agreed to co-brand the OTNHO Mixed Developments for the mutual benefit of both parties.

Information on NHO

NHO is an established developer in Vietnam with an approximately seven-year track record of developing and selling approximately 6,000 homes across 11 sites in Vietnam and will provide general management support for the Initial Development Plan. Such support will include the provision of project management, architectural and design, sales and marketing, finance and administration, human resource, legal and such other services as the case may be.

Information on EMAHF

EMAHF is a Singapore-incorporated fund which is managed by Providence Capital Management Pte Ltd ("**PCM**"). PCM is a registered fund management company regulated by the Monetary Authority of Singapore. EMAHF's consortium of investors include a tier-1 real estate developer and investor, family offices and high-net worth individuals. With a committed capital of US\$30 million, EMAHF will be exclusively tethered to the Company for the purposes of the Initial Development Plan.

Information on the Binh Duong Project-level Agreements

The Binh Duong Project-level Agreements include a sale and purchase agreement between the Company, EMAHF, NHO Development Pte Ltd ("**NHO Development**") and the owners of JMEI Investment Pte Ltd (the "**JMEI SPA**"). Pursuant to the terms of the JMEI SPA, the Company, EMAHF and NHO Development have agreed to purchase the entire issued share capital in JMEI Investment Pte Ltd ("**JMEI**") from the owners of JMEI (the "**Vendors**") for US\$10.01 million ("**JMEI Purchase Consideration**") in the following proportion:

Shareholders	Number of Shares	%
Company	53,333	13.3
EMAHF	266,667	66.7
NHO Development	80,000	20.0
Total	400,000	100.0

The JMEI Purchase Consideration was arrived at on a willing buyer, willing seller basis.

As part of the JMEI SPA, the Company, EMAHF and NHO Development have also undertaken to assume/repay the debt of JMEI and JME Vina Co., Ltd ("**JMEV**") amounting to an aggregate of US\$2.05 million. JMEV is a wholly-owned subsidiary of JMEI and holds a piece of land in Binh Duong province on which the Company and NHO propose to construct a mix-use development comprising 1,200 affordable apartment units and 120 shop houses.

It is envisaged that the Company's economic interest in the Binh Duong Project shall approximate 12%. The Company hopes to complete the requisite due diligence relating to the Ho Chi Minh City, Ha Long and Hai Phong projects in the Initial Development Plan shortly (the "**HCMC HL HP Projects**"). Whilst the Binh Duong Project-level Agreements are broadly conclusive in terms of scope and detail, they are still subject to a number of conditions precedent which must be satisfied by the Parties. Such conditions precedent include the satisfactory completion of legal, financial and business due diligence review by the Company, representations and warranties being true, complete and accurate in all respects, the approval of the Board and all necessary governmental or regulatory findings, permits or approvals having been made or obtained.

On the assumption that the above-mentioned conditions precedent as detailed in the Binh Duong Project-level Agreements are satisfied, the Company, EMAHF, NHO Development and other NHO affiliates will be investing a total of US\$15 million in the Binh Duong Project (representing the Purchase Consideration and additional amounts to be injected into JMEI and JMEV for the purposes of supporting the working capital requirements of JMEV during the construction lifecycle), with the Company's contribution amounting to approximately US\$1.75 million ("**OTE's Investment**").

OTE's Investment will be funded out of internal resources and is entered into in the ordinary course of business. The OTE Investment is not expected to have any material impact on the financials of the Company for the financial year ended 31 December 2019.

As at the date of this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Initial Development Plan and the Binh Duong Project (other than through their respective shareholdings in the Company).

The Company will make further announcements to keep shareholders informed upon completion of the Binh Duong Project-level Agreements, when the definitive investment agreements relating to the HCMC HL HP Projects are executed or as and when there are further material updates and developments with respect to the Initial Development Plan.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that the Initial Development Plan is subject to the execution and legal completion of definitive agreements. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Long Chee Tim, Daniel
Chief Executive Officer and Executive Director
19 March 2019

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mah How Soon, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, Telephone (65) 6381 6757.