

## AMPLEFIELD LIMITED

(Company Registration Number 198900188N)

(Incorporated in the Republic of Singapore)

*Unless otherwise defined, all capitalized terms herein shall bear the same meaning ascribed to them in the Company's announcement dated 22 May 2015 in relation to Memorandum of Agreement between City Builders Vietnam Company Limited and Sing Viet City Ltd. ("Previous Announcement").*

Further to the Previous Announcement, the Board of Directors ("**Board**") of Amplefield Limited (the "**Company**") and together with its subsidiaries the "**Group**") wishes to announce the following:

### IMPLEMENTATION OF 1ST PHASE OF TURNKEY DESIGN, CONSTRUCTION AND DEVELOPMENT

#### BACKGROUND

On 25 May 2015, CBVN announced the entry of a MOA with SVC (collectively, the "**Parties**") for the turnkey design, funding, construction, marketing and sale of approximately 1,900 units of mixed development comprising landed properties, villas, shop-houses and affordable apartments on a 63.8 hectares piece of land (the "**Resettlement Land**") in Ho Chi Minh City, Vietnam (the "**Joint Project**") to both farmers affected by the Joint Project and third party buyers, which has an estimated gross development value of approximately US\$450 million. CBVN and SVC shall share the gross development value ("**GDV**") arising from the development and sale of the properties within the Resettlement Land, in the ratio of 65/35 respectively.

CBVN is a wholly owned subsidiary of Citybuilders Pte Ltd which, in turn, is presently a 50.98% owned subsidiary of the Company.

SVC, a company incorporated in the Socialist Republic of Vietnam, is undertaking a township development project at Le Minh Xuan Ward, Binh Chanh District, Ho Chi Minh City, Vietnam, with the land area in aggregation of approximately 363 hectares ("**Project**"). Binh Chanh District is one of the five suburban districts of Ho Chi Minh City, Vietnam, and about 22 km west of Ho Chi Minh City centre.

SVC has been granted a Master Investment License from the Vietnamese authorities to develop a township comprising of high-rise and low-rise residential, retail, commercial, sports, gaming, leisure and recreational complexes, educational and medical properties/facilities.

#### Joint Development Agreement for Implementation of Phase 1 of Development

Pursuant to the MOA, SVC is now ready to hand over certain parcels of land within the Resettlement Land measuring 9.32 hectares ("**Designated Land Parcels**") and the Parties would now like to enter into a joint development agreement to further define the role and responsibilities of the Parties in the development of the properties within the Designated Land Parcels ("**JDA**"), the summary of which is as follows:-

| Zone/<br>Parcel            | Types of Properties            | Estimated<br>GDV<br>US\$' million | Indicative<br>Time Frame |
|----------------------------|--------------------------------|-----------------------------------|--------------------------|
| Commercial                 | 61 units of shop-houses        | 41.2                              | 3-5 years                |
| Zone 2                     | 108 Villas (landed properties) | 44.0                              | 3-5 years                |
| Zone 3                     | 240 Villas (landed properties) | 92.8                              | 3-5 years                |
| <b>Total Estimated GDV</b> |                                | <b>178</b>                        |                          |

### Salient terms and conditions of the JDA

Within the Designated Land Parcels, CBVN and SVC shall also share the GDV arising from the development and sale of the properties estimated to be approximately US\$178 million in the ratio of 65/35 respectively. The estimated GDV of US\$178 million ("**Estimated GDV**") was arrived at based on the estimated selling price of the individual units, when completed and taking into consideration the construction and other costs relating to the Designated Land Parcels. The payment of 35% of the GDV to SVC was arrived at after commercial discussions and consideration of SVC's obligations, roles and responsibilities under the JDA, including, *inter alia*:

- i) Bearing the cost of obtaining all required approvals and licenses for the recovery and development of the Resettlement Land;
- ii) Completing the land compensation and site clearance for the Designated Land Parcels;
- iii) Obtaining the land lease, land use right certificate and paying the rent for the 50-year lease term;
- iv) Obtaining construction permit(s) and undertaking the construction and completion of the main infrastructure works in the Resettlement Land; and

CBVN, upon taking over the Designated Land Parcels shall at its own cost be responsible for, *inter alia*,

- i) Obtaining the construction permit(s) for the Construction Works (as defined below) for the Designated Land Parcels;
- ii) Construction works for housing and apartment works within the individual parcels in the resettlement area within the Resettlement Land ("**Construction Works**");
- iii) Launching, marketing and selling the properties within the Designated Land Parcels; and
- iv) Undertaking repair or rectification works during the defect liability period of no less than 18 months upon issuance of certificate of completion of Construction Works.

Pursuant to the MOA, CBVN had provided an initial performance deposit amounting to US\$10 million to SVC ("**Initial Deposit**") to secure the latter's commitment to providing CBVN the exclusive rights to undertake the construction, development and performance of business activities for the Resettlement Land, being approximately 2% of the Estimated GDV for the Resettlement Land.

Pursuant to the MOA and the JDA, CBVN shall provide a second performance deposit payment ("**Second Deposit**") equivalent to 3% of the total Estimated GDV amounting to US\$5.34 million arising from the development of the properties within the Designated Land Parcels, upon SVC obtaining the necessary approvals for the development of the properties within the Designated Land Parcels and upon SVC's commencement of works for the main infrastructures for the Resettlement Land.

For the avoidance of doubt, the Initial Deposit of US\$10 million which was paid pursuant to the MOA shall be first applied as settlement of the Second Deposit and thereafter the payment of SVC's share of the Estimated GDV arising from the sale of all or such relevant properties within the Designated Land Parcels.

The remaining 30% of the Estimated GDV due to SVC shall be paid progressively on a half yearly basis, commencing on the date which is 6 months from the date of the official sales launch of all or such relevant properties to be developed within the Designated Land Parcels, based on the actual progressive sales revenue collected by CBVN.

The final sales and collection report for each individual parcel shall be audited by a firm of external auditors mutually appointed by the Parties. The findings of the external auditors shall be conclusive and shall be the basis for determining the final GDV sharing and payment by CBVN to SVC.

In the event there are any unsold units 12 months after the issuance of Certificate of Completion for all or such relevant properties to be developed, the Parties shall agree to divide the unsold units in the proportion of the GDV sharing.

### **Conditions Precedent**

The implementation of the JDA shall be subject to the fulfilment of the following conditions precedent to be performed by SVC:

- i) Receipt of amended Investment Certificate containing the implementation schedule for the Resettlement Land;
- ii) Receipt of Investment Statement in respect of the Resettlement Land from the relevant authority;
- iii) Approval of environment impact assessment report by the competent authority;
- iv) Letter granted by the competent authority on confirming the completion of the land compensation and site clearance of the Resettlement Land; and
- v) Investment principal approval granted by the competent authority for the development of the Resettlement Land.

The implementation of the JDA shall also be subject to the approval of the shareholders of the Company at an Extraordinary General Meeting ("**EGM**") to be convened in due course.

## **Financial Effects of the Transaction**

The JDA is not expected to have a material impact on the net tangible assets (“NTA”) and earnings per share of the Company and the Group for the financial year ending 30 September 2017.

The total value of the JDA based on the Company’s effective interest of 50.98% of the Estimated GDV of the Designated Land Parcels is approximately US\$59 million. The development 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. The Company is of the view that implementation of the JDA is beneficial to the Group as it is likely to enhance the revenue and earnings of the Company and the Group when the properties are developed and sold, and expand its presence in Vietnam.

## **The entry into the JDA as an Interested Person Transaction**

SVC is a wholly owned subsidiary of Amanland Pte Ltd which in turn is approximately 97% owned by Regionaland Pte Ltd, a company incorporated in the Republic of Singapore. The major shareholder of Regionaland Pte Ltd is Dato Sri Yap Teiong Choon who is also a controlling shareholder of the Company. Mr Yap Weng Yau, an Executive Director of the Company is the son of Dato Sri Yap Teiong Choon. Accordingly, SVC is considered an associate of Dato Sri Yap Teiong Choon and Mr Yap Weng Yau and therefore an “interested person” under Rule 904(4)(a) and (b) of the Catalist Rules.

As CBNV is an indirect subsidiary of the Company that is not listed on the SGX-ST or an approved exchange, it is considered an “entity at risk” pursuant to Rule 904(2)(b) of the Catalist Rules.

Accordingly, the entry into the JDA constitutes an “interested person transaction” pursuant to Rule 904(6)(f) of the Catalist Rules.

## **Shareholders’ approval**

As explained above, the entry into the JDA constitutes an “interested person transaction”, specifically the entitlement of SVC’s share of the Estimated GDV (“SVC GDV Share”). The value of the SVC GDV Share which SVC is entitled to represents approximately 114% of the latest audited Group NTA of S\$38.43 million as at 30 September 2016, based on an USD/SGD exchange rate of 1.38418 as at 30 May 2017.

As at the date of this announcement, the aggregate value of all transactions entered into by the Group with Dato Sri Yap Teiong Choon and his associates for FY2017 amounts to approximately S\$44.36 million (comprising S\$43.96 million in relation to the JDA based on an USD/SGD exchange rate of 1.38418 as at 30 May 2017 and S\$0.4 million in relation to the assignment of deposit in relation to the subscription of shares in a subsidiary as announced on 19 December 2016), representing approximately 115% of the latest audited Group NTA. Save for the above, the Group has not entered into any other interested person transaction for FY2017 as of the date of this announcement.

As the value of SVC GDV Share based on the Company’s effective interest in the Estimated GDV of the Designated Land Parcels exceeds 5% of the Group’s latest audited NTA, the Company will be

seeking the approval of its shareholders for the entry into the JDA pursuant to Rule 906(1) of the Catalist Rules at an EGM to be convened in due course.

Pursuant to Rule 919 of the Catalist Rules, Dato Sri Yap Teiong Choon and Mr Yap Weng Yau will abstain, and will procure that their associates abstain, from voting on the resolution(s) approving the entry into the JDA, and that they shall not accept any appointments as proxies at the EGM to be convened unless specific instructions as to voting are given by the shareholders.

The Company will appoint an independent financial adviser (the “**IFA**”) to the Audit Committee to provide an opinion as to whether the financial terms of the JDA are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Audit Committee will consider the opinion of the IFA and form a view which will be set out in the circular setting out information on the JDA (as an interested person transaction) to be despatched to the Company’s shareholders in due course.

#### **Further information and Documents for Inspection**

A circular setting out information on the JDA and together with a notice of the EGM to convene the EGM will be despatched to the Company’s shareholders in due course.

Copies of the JDA and the MOA are 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.

#### **Interests of Directors and Controlling Shareholders**

Save as disclosed in this announcement, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the JDA (save for their respective shareholdings in the Company).

By Order of the Board

Woon Ooi Jin

30 May 2017

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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 Catalist. 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.