

**PROPOSED EXPANSION OF PROPERTY DEVELOPMENT BUSINESS AND CONSTRUCTION BUSINESS
TO INCLUDE THE TERRITORY OF MALAYSIA AND PROPOSED ACQUISITION OF PROPERTIES IN
MALAYSIA THAT IS AN INTERESTED PERSON TRANSACTION**

1. INTRODUCTION

1.1 Proposed Acquisition

The Board of Directors ("**Board**" or "**Directors**") of Amplefield Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly owned subsidiary, Amplefield Facilities Sdn Bhd ("**Purchaser**"), has on 30 July 2020 entered into six (6) sale and purchase agreements ("**SPAs**") with Sin Heap Lee Properties Sdn. Bhd (the "**Vendor**" and together with the Purchaser, the "**Parties**") in relation to the proposed acquisition ("**Proposed Acquisition**") of six (6) units in a commercial leasehold building in Selangor, Malaysia, further details of which are set out in Annex A (collectively, the "**Properties**" and each a "**Property**").

As the Vendor is an associate (as defined under the Catalist Rules) of Dato' Sri Yap Teiong Choon ("**Dato' Sri Yap**") and Phan Foo Beam, who are controlling Shareholders of the Company as at the date of this Announcement, and Yap Weng Yau, an Executive Director of the Company, the Proposed Acquisition is an interested person transaction falling under Chapter 9 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and completion of the Proposed Acquisition would be subject, *inter alia*, to the approval of the independent shareholders of the Company.

1.2 Proposed Expansion of Property Development Business and Construction Business to include the territory of Malaysia

The Group is proposing to acquire the Properties pursuant to the Proposed Acquisition in conjunction with, and following a review of the Group's core business segments and markets resulting, *inter alia*, in a proposal by the Company to expand its Property Development Business and Construction Business (both as defined in Section 2.1 below) to include the territory of Malaysia, including East Malaysia ("**Proposed Property Business Expansion**"), as further elaborated in Section 2 below.

The Company will be convening an extraordinary general meeting ("**EGM**") to seek shareholders' approval for the Proposed Property Business Expansion and the Proposed Acquisition.

2. PROPOSED PROPERTY BUSINESS EXPANSION

2.1 Current Scope of Property Development Business and Construction Business

The Company had previously, at the extraordinary general meeting held on 11 April 2014, obtained shareholders' approval ("**2014 Shareholders' Approval**") for diversification of the Group's core businesses into the following business in the Asia-Pacific region (excluding Malaysia):

- (a) the construction and building materials business which would include excavation, piling substructures and superstructures work, architectural works, aluminium cladding and curtain walling, mechanical and electrical works, interior fitting-out works and external works for residential projects such as condominiums, apartment buildings, landed housing and public housing and the processing, distribution or sales of building materials ("**Construction Business**"); and
- (b) the property investment and property development business which would include the holding of investments in property-related assets, and trading in and development of property for sale ("**Property Development Business**").

2.2 Proposed Property Business Expansion

Under the 2014 Shareholders' Approval, Malaysia was excluded from the list of territories in which the Group may carry out its Property Development Business and Construction Business.

Malaysia was excluded as a territory in the Property Development Business and Construction Business to be carried out by the Group at time of the 2014 Shareholders' Approval, *inter alia*, as it was considered that there may be potential conflicts of interest arising if the Group were to carry out its Property Development Business and the Construction Business in Malaysia, for reasons as further elaborated below.

At the time of the 2014 Shareholders' Approval, Dato' Sri Yap was both an executive director and controlling shareholder of the Company, as well as an executive director and major shareholder of SHL Consolidated Bhd.

SHL Consolidated Bhd is a company listed on Bursa Malaysia, and the SHL Consolidated group of companies (the "**SHL Consolidated Group**") was at the time of the 2014 Shareholders' Approval (and still is) principally engaged in the business of property development, construction, construction related manufacturing, quarrying and ownership and operation of golf and country resort facilities in Malaysia.

Since Dato' Sri Yap was engaged in the management and operations of both the Group and the SHL Consolidated Group at the time of the 2014 Shareholders' Approval, it was considered then that in the event, *inter alia*, Dato' Sri Yap were to identify or source for business or projects relating to the Property Development Business and Construction Business in Malaysia, there may be potential conflicts of interests arising, *inter alia*, in relation to whether such business or projects were to be explored or pursued by the Group and/or the SHL Consolidated Group, and hence to eliminate such potential conflicts, Dato' Sri Yap had undertaken to procure that the Group would not compete or co-operate with any companies within the SHL Consolidated group of companies in such situations.

Dato' Sri Yap has ceased to be an executive director of the Company since 30 May 2016 and has also ceased to be an executive director of SHL Consolidated Bhd since 29 August 2019.

In view of such changes to Dato' Sri Yap's role and involvement in the business of the Group and the SHL Consolidated Group, the earlier concerns of potential conflicts of interest arising should the Group carry out the Property Development Business and Construction Business in Malaysia should no longer be applicable and, for reasons as further elaborated below, the Directors are of the reasonable opinion that it would be in the interests of the Group to expand its Property Development Business and Construction Business to include the territory of Malaysia.

2.3 Rationale for the Proposed Property Business Expansion

The Proposed Property Business Expansion is part of the Company's corporate strategy to provide shareholders with diversified returns and long-term growth.

As mentioned earlier, the main reason for the exclusion of Malaysia from the territories where the Group would carry out its Property Development Business and Construction Business, even though Malaysia is part of the Asia-Pacific region, was due to earlier concerns about potential conflicts of interest should the Group operate its Property Development Business and Construction Business in Malaysia, which is no longer be applicable.

In view of the foregoing and given that Malaysia is in fact a market and territory which is familiar to the Company and the Group, since the headquarters of the Company is based there, the Directors are of the reasonable opinion that it is in the interest of the Company to carry out the Proposed Property Business Expansion. The Proposed Property Business Expansion, if approved by shareholders, will allow the Company to tap on the network and contacts of its directors and management to explore business opportunities to expand and grow the Property Development Business and the Construction Business.

3. THE PROPOSED ACQUISITION

The salient terms of the Proposed Acquisition are as follows:

3.1 Agreement to Sell and Purchase

Under the terms of the SPAs, the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Properties on an "*as is where is basis*", free from all encumbrances, with legal possession subject to the Tenancy Agreements (as defined in Section 3.7.1 below), for an aggregate purchase consideration of RM22,800,000 (equivalent to approximately S\$7,396,833¹) for all of the Properties ("**Consideration**").

Details of the Consideration payable for each of the Properties is set out in column 7 of the table in Annex A.

The Consideration for the Properties was arrived at after arm's length negotiations, on a willing-buyer, willing-seller basis, determined on the basis of, and after taking into account, *inter alia*, the Independent Valuation (as defined in Section 4 below) of the Properties, as further elaborated in Section 4 below.

¹ Unless otherwise indicated, the RM amounts in this announcement have been translated into S\$ amounts based on an exchange rate of S\$1 : RM3.0824 as published on Bank Negara Malaysia's website as at 5 p.m. on 27 July 2020.

The Consideration represents an approximate 4% discount to the Independent Valuation of the Properties.

3.2 Deposits

In accordance with the terms and conditions of the SPAs, the Purchaser is obliged to pay an aggregate amount of RM2,280,000 (approximately S\$739,683) payable as deposit and part-payment towards the Consideration ("**Deposits**") in the following manner:

- (a) Part of the Deposits amounting in aggregate to RM1,596,000 (equivalent to approximately S\$517,778) ("**Balance Deposit**") shall be paid by the Purchaser to the Vendor upon the execution of the SPAs; and
- (b) the remaining amount of the Deposits amounting in aggregate to RM684,000 (equivalent to approximately S\$221,905) ("**Retention Sum**") shall be paid by the Purchaser to the Malaysian Director General of Inland Revenue within thirty (30) days from the Effective Date (as defined in Section 3.5 below) on behalf of the Vendor to settle the Vendor's liability in respect of the real property gains tax which is payable by the Vendor under the provisions of the Malaysian Real Property Gains Tax Act in 1976.

The Balance Deposit and/or the Retention Sum may be paid in cash or, as mentioned in Section 3.4 below, settled or satisfied via the Set-Off Arrangement (as defined in Section 3.4.1 below).

3.3 Balance Consideration

Under the terms of the SPAs, subject to the Amplefield Shareholders' Approval Condition (as defined in Section 3.5 below) being satisfied, an aggregate amount of RM20,520,000 (approximately S\$6,657,150) being the remaining balance of the Consideration after deduction of the Deposits ("**Balance Consideration**") shall be paid or caused to be paid by the Purchaser to the Vendor on a date falling within three (3) months from the Effective Date or such other date which the parties may mutually agree ("**Completion Date**").

Upon the satisfaction of the Purchaser's obligation to pay the Balance Consideration, the Purchaser shall be entitled to receive the original title in respect of the Properties, the transfer documents in relation to the Properties executed by the Developer (as defined in Section 5.1 below) in favour of the Purchaser and all other requisite documents as may be necessary to effect the transfer and registration of each of the Properties in favour of the Purchaser with the relevant authorities (collectively the "**Transfer Documents**").

For the avoidance of doubt, the Completion Date, as aforesaid, is not the same as the Full Payment Date (as defined in Section 3.7.1 below) which is applicable under the Pre-Completion Arrangements as further elaborated in Section 3.7.1.

3.4 Settlement of the Consideration

3.4.1 Side Letters

Under the terms of six (6) side letters entered into between the Purchaser and the Vendor and dated the same date as the date of the SPAs (“**Side Letters**”), the parties have agreed that notwithstanding any provisions to the contrary in the SPAs,

- (a) the Consideration shall only be settled and satisfied in such manner as may be mutually agreed between the Purchaser and the Vendor, including settlement and satisfaction of all or part of the Consideration (“**Set-Off Amount**”) through set-off against such amount or amounts which may be due or owing by Amanland Pte. Ltd. (“**Amanland**” or “**Vendor Related Party**”) to all or any of the Company and its subsidiaries (“**Purchaser Related Parties**”) which are non-trade related and which may have fallen due for repayment on such date or dates on which any payment is due to be made by the Purchaser to the Vendor under the terms of the SPAs (“**Amounts Owing by Vendor Related Party to Purchaser Related Parties**”) in such manner to be mutually agreed between the Purchaser and the Vendor (“**Set-Off Arrangement**”), and upon such Set-Off Arrangement being applied, the Purchaser shall be irrevocably and unconditionally released and discharged of the Purchaser’s obligation to pay the Consideration to the extent of the Set-Off Amount.
- (b) In the event that the Purchaser and the Vendor are unable to agree on the manner for settlement and satisfaction of the Consideration, then the SPAs shall, upon either party giving written notice of termination to the other, terminate and lapse as of the date of such written notice, and be of no further effect and upon such written notice being given by either party, the Vendor shall forthwith refund or cause to be refunded to the Purchaser (i) the Balance Deposit without interest being payable; (ii) the Retention Sum and if applicable, (iii) the Balance Consideration, without interest being payable, in exchange for the removal by the Purchaser of all encumbrances, if any on the Properties attributable to the Purchaser and thereafter the parties hereto shall be released from all further obligations to each other.

3.4.2 Amounts Owing by Vendor Related Party to Purchaser Related Parties

Depending on when the Set-Off Arrangement is to be applied, the Amounts Owing by Vendor Related Party to Purchaser Related Parties may amount in aggregate up to approximately S\$16,676,296.

Details of the non-trade related amounts owing by Amanland to the Purchaser Related Parties as at 30 September 2019 are set out below:

	Amounts owing	Repayment dates
Amounts owing by Amanland to Purchaser Related Parties as at 30 September 2019 ¹	16,676,296 ²	50% to be due and payable on 30 September 2020 and the remaining 50% to be due and payable on 31 March 2021

Notes:

- (1) Such amounts are unsecured and non-interest bearing.
- (2) Such amounts comprise the following:
- (a) the amount of S\$9,498,000 owing by Amanland to Citybuilders Pte Ltd (“CBS”) as a result, *inter alia*, of Amanland’s assumption of the liability of Sing Viet City Limited (“SVC”) and CBS assuming the rights of Citybuilders (Vietnam) Company Limited (“CBVN”) in respect of a security deposit for performance of US\$10,000,000 originally paid by CBVN to SVC in connection with a joint development agreement for the development of certain properties in Vietnam which was subsequently terminated on 28 August 2019, following which the security deposit was assigned and earmarked for future contracts to be awarded by SVC, as partially set off through the set off of part of the purchase consideration of S\$7,500,000 due for the Group’s acquisition of the remaining 25% of CBS which was completed on 12 April 2019;
 - (b) the net resulting amount of S\$5,498,585 owing by Amanland to CBS as a result of Amanland’s assumption of the liability of certain debts from Regional Connexion Limited in prior years, as partially set off through the set off of part of the purchase consideration of S\$7,500,000 due for the Group’s acquisition of the remaining 25% of CBS which was completed on 12 April 2019; and
 - (c) the amount of S\$1,679,711 owing by Amanland to CBVN as a result of Amanland’s assumption of the liability of two individuals to CBVN in respect of fees paid to them.

3.4.3 Set-Off Arrangement

Whether the parties may be able to apply the Set-Off Arrangement to set off all or part of the Consideration due against the Amounts Owing by Vendor Related Party to Purchaser Related Parties would depend, *inter alia*, on when the Consideration is due to be paid (whether on Completion or on the Full Payment Date) and at the time when such Consideration is due to be paid, whether all or any of the Amounts Owing by Vendor Related Party to Purchaser Related Parties have come due for repayment or payment as agreed by the relevant parties.

For illustrative purposes only, assuming the Consideration for the Proposed Acquisition of RM22,800,000 which is equivalent to approximately S\$7,396,833 is due to be paid on 30 September 2020, it could be entirely or partially set off against the amount owing by Amanland of S\$8,338,148, being the amount which has fallen due for repayment on such date.

The Purchaser shall discuss and agree with the Vendor in due course whether and how to apply all or part of the Amounts Owing by Vendor Related Party to Purchaser Related Parties in settlement and satisfaction of all or any of the Deposits and/or the Balance Consideration (as the case may be) depending, *inter alia*, on the expected Full Payment Dates and Completion Dates under the SPAs.

3.4.4 Unwinding of the Set-Off Arrangement

Under the terms of the Side Letters, the Purchaser and the Vendor have agreed that in the event the Vendor is due or obliged to refund or return the Consideration (or any part thereof) to the Purchaser due to the termination or lapsing of the SPAs pursuant to any of the Termination Events

(as defined below in Section 3.8.1) or the termination, lapse, annulment, voiding, frustration or rescission of the SPAs for any other reason whatsoever, the Set-Off Arrangement shall be null and void, and the Purchaser, the Vendor, the Vendor Related Party and the Purchaser Related Parties shall execute all such agreements or documents and otherwise take all such steps or actions as may be necessary or required by the Purchaser to unwind the Set-Off Arrangement.

3.5 Conditions

Completion of the Proposed Acquisition is subject to certain conditions in accordance with the terms of the SPAs, including, *inter alia*, the following:

- (a) the Company convening an extraordinary general meeting and obtaining the approval of its independent shareholders at such meeting to approve the acquisition of the Properties by the Purchaser ("**Amplefield Shareholders Approval Condition**");
- (b) the written approval and consent of the relevant State Authority for the acquisition of the Property by the Purchaser pursuant to Section 433B National Land Code ("**Section 433B State Consent**"); and
- (c) the written approval and consent of the relevant State Authority to the transfer of the Properties by the Vendor in favour of the Purchaser in view of certain restrictions applicable to the Properties ("**Approval to the Transfer**").

The Section 433B State Consent and the Approval to the Transfer shall be collectively referred to as the "**Government Approvals**", and the date of receipt of the Government Approvals shall be referred to as the "**Effective Date**".

The Purchaser is responsible for applying for and obtaining the Amplefield Shareholders Approval Condition within three (3) months from the date of the SPAs and the Section 433B State Consent within four (4) months from the date of the SPAs while the Vendor is responsible for applying for and obtaining the Approval to the Transfer within four (4) months from the receipt of the Section 433B State Consent (each a "**Cut-Off Date**").

3.6 Completion

Under the terms of the SPAs, it is contemplated that completion of the Proposed Acquisition ("**Completion**") shall take place only when the Balance Consideration is paid or caused to be paid by the Purchaser to the Vendor in accordance with the terms of the SPAs and all relevant documents necessary for effecting registration of the transfer of the Properties in favour of the Purchaser free from all encumbrances shall be duly registered.

Notwithstanding the foregoing, it is contemplated under the terms of the SPAs that the full payment of the Balance Consideration may, subject to the mutual agreement of the parties, be paid or caused to be paid by the Purchaser to the Vendor earlier than Completion in accordance with the terms of the SPAs in connection with the Pre-Completion Arrangements (as defined in Section 3.7.1 below).

3.7 Pre-Completion Arrangements

3.7.1 Pre-Completion Arrangements

Under the terms of the SPAs, the Parties have provided for the possibility of undertaking pre-completion arrangements ("**Pre-Completion Arrangements**") whereby subject to the receipt or deemed receipt by the Vendor of the Balance Consideration and interest for late payment, if any, payable by the Purchaser in accordance with the terms of the SPAs (the date of such receipt being the "**Full Payment Date**"), the Purchaser shall take legal possession or vacant possession (as the case may be) of the Properties as well as be entitled to an apportionment of the rent payable under the Tenancy Agreements, *inter alia*, in the manner as follows:

- (a) the legal possession of such of the Properties which are currently tenanted out ("**Tenanted Properties**"), subject to tenancy, shall be deemed to be delivered by the Vendor to the Purchaser on the day immediately after the Full Payment Date;
- (b) all rights, interests and benefits of the Vendor under the tenancy agreements relating to the tenancy of the Tenanted Properties ("**Tenancy Agreements**") shall be deemed to have been assigned, transferred to and vested in the Purchaser pursuant to the terms of the deeds of novation in respect of the Tenanted Properties executed or to be executed by the Purchaser, the Developer and the relevant persons to whom the Tenanted Properties have been let or rented out to under the Tenancy Agreements ("**Tenants**"), pursuant to which the Tenants shall agree to the substitution of the Purchaser for the Developer as the landlord of the Tenanted Properties let to the Tenants under the Tenancy Agreements with effect from the Full Payment Date ("**Novation Deeds**") on the day immediately after the Full Payment Date;
- (c) all rent in respect of the Tenanted Properties for the period up to and including the Full Payment Date shall belong to the Vendor and all rent in respect of the Tenanted Properties for the period after the Full Payment Date shall belong to the Purchaser; and
- (d) the Vendor shall deliver vacant possession of the Properties which are not Tenanted Properties or Tenanted Properties whose Tenancy Agreements have been terminated or have lapsed within five (5) working days from the Full Payment Date.

The Properties shall remain at the sole risk of the Vendor as regards to all loss or damage including but not limited to by fire, lightning, storm until the date of delivery of the legal possession or vacant possession of the Properties (as the case may be) by the Vendor to the Purchaser.

3.7.2. Rationale for The Pre-Completion Arrangements

Registration of the transfer of the Properties in favour of the Purchaser free from all encumbrances can be effected only upon the receipt of the Government Approvals, and due, *inter alia*, to the delays in access to the relevant authorities expected pursuant to the restrictions on movement orders imposed by the Malaysian government in view of the COVID-19 outbreak, it is currently contemplated that it may take up to eight (8) months from the date of the SPAs to obtain such Government Approvals.

In view of the foregoing, the Parties have provided for the Pre-Completion Arrangements which, under the terms of the SPAs, can be utilized upon the receipt or deemed receipt by the Vendor, *inter alia*, of the Balance Consideration.

Assuming the Proposed Acquisition is approved by the independent shareholders at the EGM, the Company will, if necessary, decide whether to have the Purchaser undertake the Pre-Completion Arrangements depending, *inter alia*, on the expected Effective Date and Completion Date under the SPAs, and will update Shareholders should there be any decision or other material developments in this respect.

Should the Pre-Completion Arrangements be undertaken, the Purchaser would be effecting payment of the Balance Consideration to the Vendor even though the registration of the Properties in the Purchaser's favour is pending, in exchange for which the Purchaser will be able to get the benefit of, and account for the rental income from the Tenanted Properties as part of its revenue for the period after the Full Payment Date.

The Board is of the reasonable opinion that while the Pre-Completion Arrangements may pose certain risks to the Purchaser, including the risk of the Purchaser not being able to obtain registration of the title of the Properties in its name due, *inter alia*, to the Government Approvals not being obtained and having to recover the Balance Consideration from the Vendor in such event, such risks are mitigated, *inter alia*, through the termination and unwinding provisions provided for in the SPAs as further elaborated in Section 3.8 below, and the provisions for unwinding of the Set-Off Arrangement as further elaborated in Section 3.4.4 above, in the event all or any part of the Consideration were to be settled and satisfied through the Set-Off Arrangement.

3.8 Termination or Lapsing of SPAs

3.8.1 Termination Events

Under the terms of the SPAs, the SPAs are subject to termination or shall lapse upon the occurrence of certain events, including the following events ("**Termination Events**"):

- (a) the Amplefield Shareholders Approval Condition and/or the Government Approvals are not obtained by their respective Cut-Off Dates or such later date as may be agreed in writing between the parties, or any of the Government Approvals obtained are subject to such condition(s) imposed which may not be acceptable to the party or parties affected by such condition(s);
- (b) all or any of the relevant documents necessary for effecting registration of the transfer of the Properties in favour of the Purchaser free from all encumbrances cannot be registered for any reason whatsoever and without any default, willful neglect, omission or blameworthy conduct on the part of any of the parties to the SPAs;
- (c) any material breach by the Purchaser of any of the provisions of the SPAs which is not capable of being remedied within 14 days from the receipt of written notice of such breach;
- (d) the Purchaser failing to pay the Balance Consideration in accordance with the terms of the SPAs for any reason other than that attributed to the Vendor or by any event of force majeure;

- (e) any material breach by the Vendor of any of the provisions of the SPAs which is not capable of being remedied within 14 days from the receipt of written notice of such breach; and
- (f) the Vendor refusing or failing to transfer the Properties to the Purchaser free from all encumbrances with legal possession or vacant possession (as the case may be) in accordance with the terms of the SPAs.

3.8.2 Consequences of Termination

Upon termination or lapsing of the SPAs (as the case may be), the parties have agreed to carry out or undertake, *inter alia*, the following to unwind the relevant prior actions taken under the SPAs, where applicable:

- (a) the Vendor shall forthwith refund (without interest) all monies (including the Deposits and, if applicable, the Balance Consideration) paid or caused to be paid by the Purchaser towards the Consideration;
- (b) the Purchaser shall re-deliver legal possession or vacant possession (as the case may be) of the Properties to the Vendor (if it has already been delivered to the Purchaser) in substantially the same state and condition in which it was previously delivered by the Vendor (fair wear and tear excepted) at the Vendor's own cost and expense;
- (c) the Purchaser shall return to the Vendor all the Transfer Documents with the Vendor's interest in the Properties intact;
- (d) the Purchaser shall refund to the Vendor the actual rental income ("**Return Rental Proceeds**") received in respect of the Tenanted Properties under the Tenancy Agreements which the Purchaser had collected and received after the Full Payment Date (for the avoidance of doubt, the Purchaser shall not be liable to the Vendor any rental income due but not collected or received by the Purchaser);
- (e) the Vendor shall be liable to pay the Purchaser liquidated damages of an amount equal to 10% of the Consideration should the termination of the SPAs arise from a default by the Vendor as contemplated under Section 3.8.1 (e) or (f); and
- (f) apart from the obligation to return the Return Rental Proceeds and a liability to pay liquidated damages of an amount equal to 10% of the Consideration should the termination of the SPAs arise from a default by the Purchaser as contemplated under Section 3.8.1 (c) or (d), the Purchaser shall not be liable to pay any rental or compensation for the period the Purchaser is deemed to have legal possession or vacant possession of the Properties.

4. **Independent Valuation**

In conjunction with the Proposed Acquisition, the Company had commissioned an independent valuer, Cheston International (KL) Sdn. Bhd. ("**Independent Valuer**") to conduct an independent valuation of the Properties ("**Independent Valuation**"), and a report on the Independent Valuation was issued by the Independent Valuer on 23 March 2020 ("**Independent Valuation Report**").

The aggregate market value of the Properties as determined by the Independent Valuer, based on the comparison and investment methods of valuation, is RM23,800,000 (approximately S\$7,721,256), and the market value attributed to each Property is set out in column 5 of the table in Annex A.

5. THE PROPERTIES

5.1 Properties

The Properties comprise six (6) units in a commercial leasehold building by the name of Sin Heap Lee Business Centre and located at Jalan SR 8/1, 43300 Seri Kembangan, Selangor, Malaysia.

The Properties have an aggregate land size of 23,507 square feet, and net lettable area of 79,401 square feet, and are held under a 99-years leasehold title expiring on 23 September 2090 with an unexpired term of about 70 years.

The Vendor had acquired the Properties under a developer sale from Glen Waverley Sdn. Bhd. (the “Developer”), and under the terms of the SPAs, the Vendor has agreed and undertaken to procure the Developer to transfer the legal title to the Properties to Purchaser and novate the Tenancy Agreements to and in favour of the Purchaser on completion of the Proposed Acquisition.

5.2 Tenanted Properties

Under the terms of the SPAs, the Tenanted Properties are being sold subject to the relevant Tenancy Agreements applicable to such Tenanted Properties, which have been entered into between the Developer and the Tenants under such Tenancy Agreements.

As at 29 July 2020, the aggregate rental income derived from the Tenanted Properties is approximately RM52,845 per month or approximately S\$17,144.

Under the terms of the SPAs, the Vendor has warranted and represented that, notwithstanding that the Developer, and not the Vendor, is the party to the Tenancy Agreements, the Vendor has full rights, benefits and interests in the Tenancy Agreements and is entitled and empowered to procure the Developer to perform or fulfil the obligations to novate or assign the rights and benefits of the Tenancy Agreements in favour of the Purchaser with effect from the Full Payment Date.

The Vendor has agreed to cause the Developer to execute, and use its best endeavours to cause the Tenants to execute the Novation Deeds in respect of the relevant Tenancy Agreements, or in the event if, notwithstanding the Vendor’s best endeavours, any of the Tenants shall refuse to execute the Novation Deed in respect of the relevant Tenancy Agreement, the Vendor shall cause the Developer to execute a deed of assignment whereby the Developer shall assign to the Purchaser all the Developer’s rights, title, benefit and interest under the relevant Tenancy Agreement.

The Tenant of one of the Tenanted Properties, namely Premises No. 3-5-2, Sin Heap Lee Business Centre, Jalan SR 8/1, 43300 Seri Kembangan, is Sin Heap Lee Development Sdn Bhd. Sin Heap Lee Development Sdn Bhd is a wholly owned subsidiary of SHL Consolidated Bhd. The rental rate paid by Sin Heap Lee Development Sdn Bhd is in accordance with market rates.

Save as disclosed above, to the knowledge of the Company, none of the other tenants of the Tenanted Properties are related to any Director or substantial shareholder of the Company.

6. INFORMATION ON THE VENDOR

Sin Heap Lee Properties Sdn. Bhd. (Company No. 198801005393 (172750-U)), a company incorporated in Malaysia under the Companies Act 1965, is wholly owned by YTC Global Sdn Bhd, which is in turn wholly owned by Yap Teiong Choon Holdings Sdn Bhd. (“YTCH”) The shareholders of YTCH are Dato’ Sri Yap, Phan Foo Beam, Yap Weng Yau (an Executive Director of the Company), Yap Po Leen and Yap Ai Leen, who respectively hold 71%, 14%, 5%, 5% and 5% of the issued share capital of YTCH.

The Vendor’s principal activity is holding investments in properties located in Malaysia.

7. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition presents an attractive opportunity for the Group to acquire an investment property in a good location and with immediate rental returns or yield, at a price which is below prevailing market valuation.

The Board is of the view that the Proposed Acquisition would enable the Company to enhance shareholders’ returns by diversifying income streams to include rental income which is relatively stable and earnings accretive, and with the potential for capital appreciation, and accordingly is in the interest of the Company.

Moreover, in the event the Consideration were to be settled (whether in whole or in part) through the use of the Amounts Owed by Vendor Related Party to Purchaser Related Parties which may be due or owing by the Vendor Related Party to the Purchaser Related Parties to set-off against such Consideration, the actual cash outlay which the Purchaser would need to expend to pay for the Consideration due to the Vendor will be reduced accordingly, which would be beneficial to and in the interest of the Purchaser and the Group.

8. SOURCE OF FUNDS

As mentioned in Section 3.4 above and as contemplated under the terms of the SPAs and Side Letters, the Purchaser and the Vendor have to mutually agree on the manner in which the Consideration shall be settled and satisfied. The Purchaser will decide in due course on whether to settle or satisfy the Consideration (or any part thereof) via cash or through the Set-Off Arrangement (which, if utilized, may not require cash outlay from the Purchaser) after taking into consideration, *inter alia*, the existing cash reserves of the Group.

9. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition set out below are strictly for illustrative purposes only and should not be taken as an indication of the actual financial performance of the Group following the Proposed Acquisition nor a projection of the future financial performance or position of the Group after Completion.

9.1 Assumptions

The financial effects of the Proposed Acquisition set out below were prepared based on the consolidated accounts of the Group for the most recently completed financial year (being the financial year ended 30 September 2019) after excluding treasury shares subject to the following assumptions:

- (a) for purposes of computing the effect of the net tangible assets ("NTA") per Share of the Group, it is assumed that the Proposed Acquisition was completed on 30 September 2019;
- (b) for purposes of computing the effect of the Proposed Acquisition on the earnings per Share ("EPS"), it is assumed that the Proposed Acquisition was completed on 1 October 2018; and
- (c) the expenses in connection with the Proposed Acquisition have been excluded.

9.2 Pro Forma NTA

FOR ILLUSTRATION PURPOSES ONLY: The financial effects of the Proposed Acquisition on the Group's NTA are set out below:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA attributable to equity holders of the Company (S\$'000)	64,694	64,694
Number of ordinary shares in issue (excluding treasury shares)	898,117,536 ⁽¹⁾	898,117,536
NTA per Share (Singapore cents)	7.20	7.20

Note:

- (1) As at 30 September 2019 (excluding treasury shares, which are deemed to be acquired on 30 September 2019).

9.3 Pro Forma EPS

FOR ILLUSTRATION PURPOSES ONLY: The financial effects of the Proposed Acquisition on the Group's EPS are set out below:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profits attributable to equity holders of the Company (S\$'000)	1,516	1,648
Number of ordinary shares in issue ('000) (excluding treasury shares)	898,117,536 ⁽²⁾	898,117,536
EPS (Singapore cents)	0.169	0.183

Note:

- (2) As at 1 October 2018 (excluding treasury shares, which are deemed to be acquired on 1 October 2018).

10. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures in relation to the Proposed Acquisition pursuant to Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Relative Figure
(a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not Applicable. The Proposed Acquisition is an acquisition of assets.
(b) The net profits attributable to the assets acquired or disposed of, compared with the Group's net profit ⁽¹⁾ .	14.6% ⁽²⁾
(c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	26.6% ⁽³⁾
(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable, as no shares are issued as consideration for the Proposed Acquisition.
(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable, as this basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.

Note:

- (1) **"Net profits"** means profit or loss before income tax, minority interests and extraordinary items.
- (2) Computed based on the net profits of S\$66,000, being the net rental income derived from the Properties for the half year period ended 31 March 2020 and the net profits of the Group of S\$451,000 based on the Group's latest announced financial statements for the half year ended 31 March 2020.
- (3) Computed based on the Consideration of RM22,800,000 (equivalent to approximately S\$7,396,833 and the Company's market capitalisation of S\$27,841,643 as at 29 July 2020 (being the last market day on which the shares were traded preceding the date of the SPAs). The market capitalisation of the Company is determined by multiplying the number of shares in issue (being 898,117,536 Shares, excluding treasury shares) by the volume weighted average price of S\$0.031 of such shares transacted on 29 July 2020 (being the last market day on which the shares were traded preceding the date of the SPAs).

As the relative figures computed on the applicable bases as set out in Rule 1006(b) and 1006(c) of the Catalist Rules exceed 5%, the Proposed Acquisition is a "Discloseable Transaction" for the purposes of Chapter 10 of the Catalist Rules.

11. THE PROPOSED ACQUISITION AS INTERESTED PERSON TRANSACTION

The Vendor is an associate of Dato' Sri Yap and Phan Foo Beam, who are controlling shareholders of the Company, and Yap Weng Yau, an Executive Director of the Company and is therefore an "interested person" under Chapter 9 of the Catalist Rules, and accordingly, the Proposed Acquisition constitutes an "interested person transaction" for the purposes of Chapter 9 of the Catalist Rules.

Based on the latest audited consolidated financial statements of the Group for the financial year ended 30 September 2019, the audited consolidated NTA of the Group was approximately S\$64,694,000. For the purposes of Chapter 9 of the Catalist Rules, the value of the Proposed Acquisition is approximately 11.4% of the latest audited consolidated NTA of the Group. As such, the Proposed Acquisition is an interested person transaction which is subject to the approval of the Company's shareholders at an extraordinary general meeting to be convened pursuant to Rule 906(1)(a) of the Catalist Rules. Pursuant to Rule 919 of the Catalist Rules, Dato' Sri Yap, Phan Foo Beam, Olander Ltd, Yap Weng Yau and their respective associates ("**Interested Person Group**") will abstain from voting on the resolution approving the Proposed Acquisition, and from accepting any appointments as proxies unless specific instructions as to voting are given at the EGM.

As at the date of this announcement, the Group has not entered into any transactions with the Interested Person Group in the current financial year ending 30 September 2020, save for an interest bearing loan of USD500,000 extended by Olander Ltd to the Company.

12. INDEPENDENT FINANCIAL ADVISER

The Company has appointed Asian Corporate Advisors Pte. Ltd. as the independent financial adviser (the "**IFA**") to advise the Directors who do not have an interest in the Proposed Acquisition whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. The opinion of the IFA will be included in the circular to be released to Shareholders in due course.

13. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee will be obtaining an opinion from the IFA before forming its view on the Proposed Acquisition. The statement from the Audit Committee will be disclosed in the circular to be released to shareholders in due course.

14. EXTRAORDINARY GENERAL MEETING

The Proposed Acquisition and the Proposed Property Business Expansion are to be tabled at an extraordinary general meeting to be convened, and the circular in connection therewith will be released to shareholders in due course.

The resolution relating to the Proposed Acquisition will be conditional upon shareholders' approval being obtained in respect of the Proposed Property Business Expansion.

15. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As mentioned above, Mr Yap Weng Yau, an Executive Director of the Company, is an associate of the Vendor and has abstained from making any recommendations or voting on any Board and Board committee resolutions relating to the Proposed Acquisition.

Save as disclosed in this announcement, none of the Directors or the substantial shareholders of the Company has an interest, direct or indirect, in the Proposed Property Business Expansion or the Proposed Acquisition, other than otherwise disclosed above or through their respective shareholding interests, direct or indirect, in the Company.

16. SERVICE CONTRACT

No person will be appointed to as a director of the Company in connection with the Proposed Acquisition.

17. DOCUMENTS FOR INSPECTION

A copy of the SPAs, the Side Letters and the Independent Valuation Report will be made available for inspection by the Shareholders at the registered office of the Company at 101A Upper Cross Street, #11-16, People's Park Centre, Singapore 058358 during normal business hours for three (3) months from the date of this announcement.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to amplefield-egm@boardroomlimited.com to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect the documents accordingly. The inspection of documents will be arranged with each shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

18. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. There is no certainty or assurance that the Proposed Property Business Expansion will be approved and/or the Proposed Acquisition will be approved and/or completed. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Property Business Expansion and the Proposed Acquisition, the SPAs, the Side Letters and other matters contemplated in this Announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

Woon Ooi Jin
Executive Director

30 July 2020

*This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement including the 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 (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

**ANNEX A
PROPERTIES**

	(1) Address	(2) Land Size (Sq. Ft.)	(3) Net Lettable Area (Sq. Ft.)	(4) Vendor	(5) Independent Valuation	(6) Discount to Independent Valuation	(7) Consideratio n	(8) Deposits	(9) Balance Consideratio n
Proper ty 1	Premises No. 1, Sin Heap Lee Business Centre, Jalan SR 8/1, 43300 Seri Kembangan	3,197	10,130	Sin Heap Lee Properties Sdn. Bhd. [Company No. 1988010053 93 (172750- U)]	RM3,450,00 0	(RM145,000)	RM3,305,00 0	RM330,500	RM2,974,50 0
Proper ty 2	Premises No. 3-5, Sin Heap Lee Business Centre, Jalan SR 8/1, 43300 Seri Kembangan	3,853	13,155	Sin Heap Lee Properties Sdn. Bhd. [Company No. 1988010053 93 (172750- U)]	RM3,900,00 0	(RM 164,000)	RM3,736,00 0	RM373,600	RM3,362,40 0
Proper ty 3	Premises No. 7-9, Sin Heap Lee Business Centre, Jalan SR 8/1, 43300 Seri Kembangan	3,853	13,155	Sin Heap Lee Properties Sdn. Bhd. [Company No. 1988010053 93 (172750- U)]	RM3,900,00 0	(RM 164,000)	RM3,736,00 0	RM373,600. 00	RM3,362,40 0

Property 4	Premises No. 2-4, Sin Heap Lee Business Centre, Jalan SR 8/3, 43300 Seri Kembangan	4,898	16,651	Sin Heap Lee Properties Sdn. Bhd. [Company No. 1988010053 93 (172750-U)]	RM5,200,000	(RM 218,000)	RM4,982,000	RM498,200	RM4,483,800
Property 5	Premises No. 6-8, Sin Heap Lee Business Centre, Jalan SR 8/3, 43300 Seri Kembangan	3,853	13,155	Sin Heap Lee Properties Sdn. Bhd. [Company No. 1988010053 93 (172750-U)]	RM3,700,000	(RM 156,000)	RM3,544,000	RM354,400	RM3,189,600
Property 6	Premises No. 10-12, Sin Heap Lee Business Centre, Jalan SR 8/3, 43300 Seri Kembangan	3,853	13,155	Sin Heap Lee Properties Sdn. Bhd. [Company No. 1988010053 93 (172750-U)]	RM3,650,000	(RM 153,000)	RM3,497,000	RM349,700	RM3,147,300