

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

RESPONSES TO QUERIES FROM THE SGX-ST

The Board of Directors (the “**Board**”) of Amplefield Limited (the “**Company**”) refers to the Company’s announcement dated 7 May 2021 (“**Announcement**”). Unless otherwise expressly specified, capitalised terms used in this announcement shall bear the same meanings as defined in the Announcement.

The Board would like to provide the following information in response to queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 10 May 2021.

SGX-ST QUERY 1.

Taking into consideration the cost of valuation and the Board’s knowledge of the target’s business, the Board did not think a valuation was required.

Please provide more details on how the purchase consideration of RM 16.4 million was derived.

The Proforma NTA of Niche Properties is based on its management accounts for the financial year ended 31 March 2021. Is the audited accounts for FY2021 available. If so, pls provide summary, if not, what is the audited financial position for FY2020.

Company’s Responses:

The Purchase Consideration was arrived at based on the proforma net tangible asset value of NPSB (“**Proforma NTA**”). The Proforma NTA was based on the proforma accounts of NPSB (“**Proforma Accounts**”) which was arrived at based on (i) the unaudited management accounts of NPSB for the period ended 31 March 2021 and (ii) the expected sales, costs and profit of NPSB that is projected to be realised from the sale of its properties that is currently under Phase II. The Proforma NTA as computed aforesaid was RM16.1 million and the Purchase Consideration of RM16.4 million represents a premium of approximately S\$100,000 over the Proforma NTA.

The FY2021 audited accounts of NPSB is not available yet. The FY2020 audited accounts of NPSB showed a negative net tangible asset value of RM7.1 million due to accumulated losses.

As contemplated by the Parties, in the event that after completion of the audit of the financial statements of the NPSB for the financial year ended 31 March 2021, the Proforma NTA after accounting for any adjustments required pursuant to such audit is less than the Proforma NTA as contemplated under the Agreement (the amount of the difference being the “**Shortfall Amount**”), and the Shortfall Amount exceeds 10% of the amount of the Proforma NTA as contemplated under the Agreement, the Vendor shall give a discount in cash to the Purchaser an amount which is equal to the Shortfall Amount.

In the event the Vendor is obliged to give a discount to the Purchaser of the Shortfall Amount, at the option of the Purchaser, the Vendor shall pay the Shortfall Amount to the Purchaser in cash.

SGX-ST QUERY 2.

NP is licensed to engage in property development business in Malaysia and has a project, Larkin residence ("Project") in JB, Malaysia. Phase II of this Project is expected to be completed by May 2021. The estimated gross development value of Phase II is RM130 million.

What is the development status of Phase II of the Project?

Has all the Project expenses been incurred and accounted for in NP financial statements?

How many of the 320 units in Phase II of the Project has been sold?

Please provide details on the Board's and Management's assessment of viability of the Project, and due diligence performed on the Project.

Company's Responses:

The 5-storey apartment blocks of Phase II are now physically completed. At present, inspection by Authorities are underway for the issuance of Certificate of Fitness.

All the Project expenses have been accounted for in the Proforma Accounts before arriving at the Proforma NTA.

As at the date of this announcement, 170 units in Phase II has been sold.

In assessing the viability of Phase II of the Project, the Management and Board looked at the location of the entire Project and the past record of NPSB in developing Phase I and Phase III, which are contiguous and adjacent to Phase II. Phase I and Phase III of the Project have been completed by NPSB in earlier years and fully sold before work commenced on Phase II. In addition, the Company also assessed the current stage of development of Phase II of the Project to evaluate the risks of failure to complete the construction, the potential rental returns and cashflows from the units as well as the current sales and selling prices of the apartment units to evaluate the market demand. The Company also looked and took into consideration the estimated progress claims by contractors to complete the Project and the funding requirements to ensure that the Project is adequately funded.

SGX-ST QUERY 3.

There is a Set-Off Arrangement for the Purchase Consideration, which enables the Company to assign the outstanding amounts owned by Amanland to the Group's subsidiary, Citybuilders Pte Ltd, to the Vendors to settle the Consideration for the Proposed Acquisition. The ultimate holding company of Amanland is Olander Ltd, a 60.54% controlling shareholder of the Company.

What's the rationale for this Set-Off Arrangement?

How is the Vendor, Ideamax Resources Sdn Bhd related to Amanland, Citybuilders Pte Ltd or Olander Ltd?

How is the Proposed Acquisition connected to the outstanding amounts owed by Amanland to Citybuilders?

Company's Responses:

The Set-Off Arrangement allows the Company to reduce its cash outlay required for the Proposed Acquisition since the Purchaser would otherwise have to settle and satisfy the Purchase Consideration by payment in cash to the Vendor if not for the Set-Off Arrangement.

The Vendor is not related to Citybuilders Pte Ltd, a subsidiary of the Company. Based on representations given, *inter alia*, by the Vendor under the Agreement, the Vendor is not related to Amanland or Olander Ltd. Please also see the Company's response to Query 4 below.

Save as further described below, the Proposed Acquisition is not connected to the outstanding amounts owed by Amanland to Citybuilders.

As stated in the Announcement, as part of the terms of the Proposed Acquisition, the Vendor has agreed to accept the Purchaser's assignment of part of the outstanding amounts owed by Amanland to Citybuilders amounting in aggregate to the Purchase Consideration ("**Assigned Amounts**") to it, in settlement and satisfaction of the Purchase Consideration.

SGX-ST QUERY 4.

Three of the shareholders in the Vendor (Mr Yap Chee Horng, Ms Agnes Castillo Arguilles and Ms Nina Rose Arcega) are directors of the Company's 40%-owned associated company, CAM Mechatronic (Philippines) Inc, ("CAM") and they each hold 1 share in CAM to comply with certain legal requirements on minimum number of shareholders in the Philippines. Mr Yap Chee Horng is also the nephew of Dato Sri Yap Teiong Choon, the controlling shareholder of the Company.

Who introduced the Proposed Acquisition to the Company?

In view of the connected relationships mentioned above, please confirm if the Proposed Acquisition complies with the IPT rules.

Company's Responses:

Mr Chin Shao Peng, a director of the Vendor and a shareholder of Ideamax Resources Sdn Bhd introduced the Proposed Acquisition to the Company.

The Proposed Acquisition complies with the IPT rules notwithstanding the connected relationships disclosed in the Announcement as none of the Vendor Group Shareholders are associates (as defined in the Catalist Rules) of the directors or controlling shareholders of the Company, *inter alia*, for reasons as further elaborated below:

1. Mr Yap Chee Horng, while being the nephew of Dato' Sri Yap Teiong Choon, a controlling shareholder of the Company, is not an associate of the latter as he is not an immediate family member (as defined in the Catalist Rules);

2. Ms Agnes Catillo Arguilles and Ms Nina Rose Arcega, while being business associates of the Company in relation to CAM in the manner as aforesaid, are not interested persons as defined under Rule 904(4) of the Catalist Rules by reason as such;
3. the Vendor, Ideamax Resources Sdn Bhd (the holding company of the Vendor), Mr Yap Chee Horng, Ms Agnes Catillo Arguilles and Ms Nina Rose Arcega, have given representations to the Company that none of Mr Yap Chee Horng, Ms Agnes Catillo Arguilles and Ms Nina Rose Arcega are holding all or any shares of Ideamax Resources Sdn Bhd as a nominee of or in trust for any of the directors or controlling shareholders of the Company or any of their respective associates;
4. the Vendor, Ideamax Resources Sdn Bhd, Mr Yap Chee Horng, Ms Agnes Catillo Arguilles and Ms Nina Rose Arcega, have given representations to the Company that none of Mr Yap Chee Horng, Ms Agnes Catillo Arguilles and Ms Nina Rose Arcega are associates of the directors or controlling shareholders of the Company; and
5. the Vendor, Ideamax Resources Sdn Bhd, Mr Yap Chee Horng, Ms Agnes Catillo Arguilles and Ms Nina Rose Arcega, have given representations to the Company that none of Mr Yap Chee Horng, Ms Agnes Catillo Arguilles and Ms Nina Rose Arcega has entered or will be entering into any agreements or arrangements with any director, chief executive officer or controlling shareholder of the Company in relation to their acquisition, ownership, holding or disposal of all or any of the shares of their relevant Vendor Group Companies or otherwise in relation to any of the transactions contemplated under the Agreement.

By Order of the Board

Woon Ooi Jin
Executive Director
11 May 2021

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance 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.

The contact person for the Sponsor is Mr Joseph Au, Continuing Sponsorship, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.