

ACQUISITION OF 100% EQUITY INTEREST IN NICHE PROPERTIES SDN BHD

The Board of Directors ("**Board**") of Amplefield Limited (the "**Company**" and together with its subsidiaries the "**Group**") wishes to announce that its wholly-owned subsidiary, Amplefield Facilities Sdn Bhd, (the "**Purchaser**") has on 7 May 2021 entered into a sale and purchase agreement ("**Agreement**") with Ideamax Capital Sdn Bhd (the "**Vendor**" or "**ICSB**"), pursuant to which the Purchaser has agreed to buy and the Vendor has agreed to sell 3,000,000 ordinary shares ("**Sale Shares**"), representing the total equity interest in Niche Properties Sdn Bhd ("**NPSB**"), free from all encumbrances and together with all the rights, dividends, benefits and entitlements attaching therefrom as from the date of completion, for the purchase consideration of RM16,400,000 or S\$5,358,000 (based on exchange rate of S\$1.00: RM3.06⁽⁴⁾) ("**Purchase Consideration**") (the "**Proposed Share Acquisition**").

Upon completion of the Proposed Share Acquisition ("**Completion**"), NPSB will become a wholly-owned subsidiary of the Company.

Information on the Vendor.

The sole shareholder of NPSB is Ideamax Capital Sdn Bhd, being the Vendor, while NPSB's directors are Phan Chee Shong and Chin Shao Peng.

The sole shareholder of the Vendor is Ideamax Resources Sdn Bhd, while the Vendor's director is Chin Shao Peng.

The shareholders of Ideamax Resources Sdn Bhd (and their respective shareholding interests in Ideamax Resources Sdn Bhd) are as set out in the table below, while its directors are Lim Bee Ying and Yap Chee Horng.

Shareholders of Ideamax Resources Sdn Bhd		
Name	Number of shares held	% of issued share capital
Chin Shao Peng	19	19
Lim Bee Ying	18	18
Cheong Chan Wai	18	18
Yap Chee Horng	15	15
Agnes Catillo Arguilles	15	15
Nina Rose Arcega	15	15
Total	100	100

NPSB, the Vendor and Ideamax Resources Sdn Bhd are collectively referred to as the "**Vendor Group Companies**" and each a "**Vendor Group Company**" and the Vendor, Ideamax Resources Sdn Bhd and the shareholders of Ideamax Resources Sdn Bhd are collectively referred to as the "**Vendor Group Shareholders**" and each a "**Vendor Group Shareholder**".

Mr Phan Chee Shong, who is a director of NPSB, is an Executive Director of the Company.

Three of the shareholders of Ideamax Resources Sdn Bhd, namely Mr Yap Chee Horng, Ms Agnes Catillo Arguilles and Ms Nina Rose Arcega, are business associates of the Group as they are currently directors of the Company's 40%-owned associated company, CAM Mechatronic (Philippines) Inc. ("**CAM**"), and Mr Yap Chee Horng and Ms Nina Rose Arcega hold one (1) share each in CAM, *inter alia*, 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.

Save as aforesaid, each of the Vendor Group Companies and their respective Vendor Group Shareholders are independent third parties from the Company, as well as each of the directors and controlling shareholders of the Company and their respective associates.

Information on NPSB

NPSB is a company incorporated in Malaysia and, as at the date of this announcement, has a total issued and paid-up share capital of RM 3,000,000 comprising 3,000,000 ordinary shares.

NPSB was established to principally engage in property development activities in Malaysia and has a developer's license to engage in property development business. Its project, known as Larkin Residence (the "Project") is located in Larkin, Johor Bahru, Johor, Malaysia. It had developed and sold 440 units of 5-storey medium cost apartment units under earlier phases of the Project. NPSB is presently developing 320 units of apartments under Phase II of the Project which is expected to be completed by May 2021. The estimated gross development value of Phase II is RM130 million or S\$43 million.

Effective Date of the Proposed Share Acquisition

Pursuant to the terms of the Agreement, the parties have agreed that subject to Completion taking place, the sale and purchase of the Sale Shares shall be deemed to have taken place with effect from 1 April 2021 and the Purchaser shall be entitled to all the rights, dividends, benefits and entitlements attaching from the Sale Shares as from 1 April 2021.

Purchase Consideration

The Purchase Consideration has been agreed on a willing-seller willing-buyer basis based, *inter alia*, on a premium of S\$ 100,000 over the Proforma NTA (as defined below).

The Parties have agreed to the net tangible asset value of NPSB as at 31 March 2021 at RM16.4 million (equivalent to S\$5,358,000, based on exchange rate of S\$1 : RM3.06⁽⁴⁾) ("**Proforma NTA**"), based on the management accounts of NPSB for the financial year ended 31 March 2021 as adjusted for certain events or matters, including the expected sales to be generated from the Project and the associated costs.

No independent valuation was carried out for the Sale Shares, *inter alia*, as the Proposed Share Acquisition does not involve an acquisition of real properties or assets, the Board's considerations as mentioned hereafter, and after taking into consideration the cost of the valuation. The Board is sufficiently familiar with the business of NPSB to be able to assess the valuation of such business internally, and has also taken into account Management's assessment of the viability of the Project. Management has undertaken relevant due diligence on the Project and is of the view that the Project will be earnings and cashflow accretive.

Settlement and Satisfaction of Purchase Consideration through Set-Off Arrangement

Pursuant to the terms of the Agreement, the Parties have agreed that the Purchase Consideration shall be settled and satisfied through set-off against the assignment of the Assigned Amount (as defined below) by the Purchaser to the Vendor ("**Set-Off Arrangement**").

As at 31 March 2021, there was an aggregate amount of S\$9,169,629 ("**Outstanding Amounts**") due and owing by Amanland Pte Ltd ("**Amanland**") to Citybuilders Pte Ltd ("**CBS**"), a wholly-owned subsidiary of the Company. CBS will, in connection with the Proposed Share Acquisition, assign part of the Outstanding Amounts amounting in aggregate to S\$5,358,000 ("**Assigned Amount**") to the Purchaser, so as to enable the Purchaser to assign such amount to the Vendor in settlement and satisfaction of the Purchase Consideration under the Set-off Arrangement.

Amanland is a company incorporated in Singapore and its ultimate holding company is Olander Ltd, the controlling shareholder of the Company, which holds 543,723,385 shares in the Company representing 60.54% of the issued share capital of the Company as at the date of this Announcement.

The Board is of the reasonable opinion that on the part of the Group, the Purchaser's and CBS' agreement to the Set-Off Arrangement will allow the Purchaser to acquire the Sale Shares without having to pay no cash consideration for them, which would help to preserve the Group's cash and, taking into consideration the rationale for the Proposed Share Acquisition as further elaborated below, is in the best interests of the Company and the Shareholders.

The Vendor has represented in the Agreement, *inter alia*, that there is due corporate benefit or rationale for the Vendor's agreement to settle and satisfy the Purchase Consideration through the assignment of the Assigned Amounts under the Set-Off Arrangement.

Following the completion of the Set-Off Arrangements, the remaining Outstanding Amounts due and owing by Amanland to CBS will be reduced to S\$3,811,629.

Adjustment of Purchase Consideration

In the event that after completion of the audit of the financial statements of the NPSB Group for the financial year ended 31 March 2021, it is determined that the audited net tangible asset value of NPSB as at 31 March 2021 is less than the Proforma NTA (the amount of the difference being the “**Shortfall Amount**”), and the Shortfall Amount exceeds 10% of the amount of the Proforma NTA, 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.

Rationale for the Proposed Share Acquisition

The Proposed Share Acquisition presents an attractive opportunity for the Company to further expand its construction and property development business through the acquisition of a company with an ongoing property development project in Malaysia with prospects for profitability for the Group in the mid to long term, following the launch of the apartment units under the Project for sale upon its expected completion in May 2021.

The Proposed Share Acquisition is an acquisition in the ordinary course of business in connection with the expansion of the Group’s construction and property development business into Malaysia (“**Malaysian Property Business**”), which Shareholders of the Company have approved as part of the core businesses of the Company at the Extraordinary General Meeting of the Company held on 28 August 2020 (“**Business Diversification Mandate**”).

Under the terms of the Business Diversification Mandate, there is a condition (“**Business Diversification Mandate Condition**”) requiring, *inter alia*, a relevant transaction in connection with the Malaysian Property Business to be subject to and conditional upon Shareholders’ approval, if such transaction, either singly or when aggregated with all other relevant transactions undertaken in the current financial year prior to the transaction in question, exceed 75% of any of the Catalist Rule 1006 relative figures. Please refer to the Circular dated 11 August 2020 for further details of the Business Diversification Mandate Condition.

As the Proposed Share Acquisition, when aggregated with all relevant transactions undertaken in the current financial year (no transactions undertaken so far in FY2021), does not exceed 75% of any of the Catalist Rule 1006 figures as further set out below, the Proposed Share Acquisition does not require Shareholders’ approval pursuant to the Business Diversification Condition.

The relative figures for the Proposed Share Acquisition, computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”) are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable
(b)	Net profit attributable to the Sale Shares of approximately S\$323,000 compared with the Group’s net profits of approximately S\$477,000 ⁽¹⁾⁽²⁾	67.7%
(c)	Aggregate value of the consideration given of S\$5.358 million compared with the Company’s market capitalisation of approximately S\$25.7 million as at 5 May 2021 based on the total number of issued shares excluding treasury shares ⁽³⁾	20.8%
(d)	Number of equity securities issued as consideration for an acquisition, compared with the number of securities previously in issue	Not applicable
(e)	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. 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	Not applicable

Notes:

- (1) Net profit refers to profit before income tax, minority interests and exceptional items
- (2) Computed based on the unaudited net profit attributable to the Sale Shares for the year ended 30 September 2020 and the Group's latest announced audited net profit for the year ended 30 September 2020.
- (3) Computed based on the Purchase Consideration of S\$5.358 million and the market capitalization of the Company of approximately S\$25.7 million, which is determined by multiplying the issued share capital of the Company of 898,117,536 shares (excluding treasury shares) with the volume weighted average price of such shares transacted on 5 May 2021 of S\$0.0287 per share, being the Company's last full market day preceding the date of Agreement.
- (4) Based on Bank Negara Malaysia exchange rate at 12 pm on 18 March 2021

In addition, the Board is of the reasonable opinion that the Proposed Share Acquisition is not expected to have a material impact on or materially change the risk profile of the Group, *inter alia*, as the value of the consideration given comprised only 8% of the net assets of the Group of S\$68 million as at 30 September 2020.

Financial Effects Of The Proposed Share Acquisition

The financial effects of the Proposed Share 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 Share Acquisition nor a projection of the future financial performance or position of the Group after Completion.

Assumptions

The financial effects of the Proposed Share 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 2020) 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 Share Acquisition was completed on 30 September 2020;
- (b) for purposes of computing the effect of the Proposed Share Acquisition on the earnings per Share ("**EPS**"), it is assumed that the Proposed Share Acquisition was completed on 1 October 2019; and
- (c) the expenses in connection with the Proposed Share Acquisition have been excluded.

Pro Forma NTA

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

	Before the Proposed Share Acquisition	After the Proposed Share Acquisition
NTA attributable to equity holders of the Company (S\$'000)	66,853	66,753
Number of ordinary shares in issue (excluding treasury shares)	898,117,536 ⁽⁵⁾	898,117,536
NTA per Share (Singapore cents)	7.44	7.43

Note:

- (5) As at 30 September 2020 (excluding treasury shares, which are deemed to be acquired on 30 September 2020).

Pro Forma EPS

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

	Before the Proposed Share Acquisition	After the Proposed Share Acquisition
Profits attributable to equity holders of the Company (S\$'000)	348	671
Number of ordinary shares in issue ('000) (excluding treasury shares)	898,117,536 ⁽⁶⁾	898,117,536
EPS (Singapore cents)	0.039	0.075

Note:

(6) As at 1 October 2019 (excluding treasury shares, which are deemed to be acquired on 1 October 2019).

Interest of Directors and controlling shareholders

Save as disclosed in this announcement, none of the directors or controlling shareholders of the Company, and/or their respective associates has any interest, direct or indirect (other than through their shareholdings in the Company), in the Proposed Share Acquisition.

As mentioned above, Mr Phan Chee Shong, our Executive Director, is a director of NPSB and he has accordingly abstained from making any recommendations or voting on any Board and Board committee resolutions relating to the Agreement and the Proposed Share Acquisition.

Service Contracts of Proposed Directors

There are no service contracts with any directors proposed to be appointed to the Company in connection with the Proposed Share Acquisition.

Documents for Inspection

A copy of the Agreement is available for inspection at the Company's registered office at 101A, Upper Cross Street #11-16 People's Park Centre, Singapore 058358, for a period of three (3) months from the date of this announcement.

By Order of the Board

Woon Ooi Jin
Executive Director

7 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..