AMPLEFIELD LIMITED
(Company Registration No: 198900188N)
(Incorporated in the Republic of Singapore)

PRE-COMPLETION ARRANGEMENTS IN RESPECT OF THE PROPOSED ACQUISITION

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*Unless otherwise expressly specified, capitalized terms used in this announcement shall bear the same meanings as defined in the circular dated 11 August 2020 in relation to the Proposed Acquisition (“***Circular***”).*

Introduction

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 (the “**Purchaser**”) has, on 30 September 2020, entered into the following deeds of assignment and set-off with the following parties:

(a) a deed of assignment and set-off with Citybuilders Pte. Ltd. (“**CBS**”), a wholly-owned subsidiary of the Company, and Amanland Pte. Ltd. (“**Amanland**”); and

(b) a deed of assignment and set-off with Sin Heap Lee Properties Sdn. Bhd, (the “**Vendor**”) and Amanland,

(collectively, the “**Set-Off Deeds**”), for purposes of effecting the Set-Off Arrangement and the Pre-Completion Arrangements as contemplated in connection with the Proposed Acquisition.

Key Salient Terms of Set-Off Deeds

Pursuant to the Set-Off Deeds, *inter alia*:

(a) CBS has assigned to the Purchaser an amount of S$7,506,667 (“**Assigned Amount**”) owing by Amanland to CBS, where the Assigned Amount represents the SGD equivalent of the Consideration payable by the Purchaser to the Vendor for the Proposed Acquisition, based on an exchange rate of S$1:MYR3.0373 as published on Bank Negara Malaysia’s website as at 12.00 noon as at 30 September 2020;

(b) the Purchaser has in turn assigned to the Vendor the Assigned Amount which:-

   (i) the Vendor has agreed is to be used solely and exclusively to settle, satisfy and set-off against an equivalent amount of any existing sums of monies owing by the Purchaser to the Vendor on or prior to 30 September 2020, being the date of the Set-Off Deeds; and

   (ii) the Vendor shall be indebted to the Purchaser for, until it has been released and discharged of such indebtedness, *inter alia*, by settlement and satisfaction of and offset against any amounts recorded in the books as outstanding and due from the Purchaser to the Vendor on or prior to 30 September 2020; and

(c) pursuant to foregoing, the Purchaser shall be indebted to CBS for the Assigned Amount that has been assigned by CBS to the Purchaser, and Amanland shall owe the Vendor the Assigned Amount which has been assigned to the Vendor by the Purchaser.

It is further provided in the Set-Off Deed between the Purchaser, the Vendor and Amanland that in the event, *inter alia*, the Vendor is due or obliged to refund or return the Consideration (or any part thereof) to the Purchaser due to the termination, lapse, annulment, voiding, frustration or rescission of the SPAs or for any reason whatsoever, the set-off arrangement as contemplated under the said Set-Off Deed shall be null and void, and the Vendor shall be deemed to have assigned the Assigned Amount back to the Purchaser, and Amanland shall continue to be fully liable and obliged to procure repayment or payment of the Assigned Amount to the Purchaser in the same manner as prior to such set-off arrangement being applied.

Set-Off and Pre-Completion Arrangements

As further elaborated in Section 3.1.4.1 of the Circular, the Vendor and the Purchaser had contemplated effecting a settlement and satisfaction of the Consideration payable by the Purchaser to the Vendor for the Proposed Acquisition, *inter alia*, through a set-off of all or part of such Consideration amount against the Amounts Owing by Vendor Related Party to Purchaser Related Parties.

Further, the Vendor and the Purchaser had contemplated effecting such settlement and satisfaction of the Consideration prior to actual completion and transfer of title of the Properties from the Vendor to the Purchaser, in connection with the Pre-Completion Arrangements as further elaborated in Section 3.1.7. of the Circular.

The Vendor and the Purchaser have agreed to effect the Pre-Completion Arrangements with effect from 30 September 2020 and pursuant thereto:

(a) the Set-off Arrangement in respect of the Assigned Amount in accordance with the terms of the Set-off Deeds shall be deemed to have taken place on 30 September 2020;

(b) the Purchaser shall be deemed to have settled and satisfied the entire Consideration (including the Retention Sums and the Balance Deposits which were supposed to have been paid by the Purchaser to the Vendor upon execution of the SPAs) for the Proposed Acquisition in full as at 30 September 2020 by way of the Set-Off Arrangement as aforesaid;

(c) vacant possession of the Properties which are not Tenanted Properties is deemed to be delivered by the Vendor to the Purchaser on 30 September 2020;

(d) legal possession of the Tenanted Properties, subject to tenancy, is deemed to be delivered by the Vendor to the Purchaser on 30 September 2020; and

(e) the Vendor has, pursuant to a letter dated 30 September 2020 ("Pre-Completion Arrangements Letter"), agreed, *inter alia*, to pay the Purchaser an amount equal to all rental proceeds, net of all outgoings and expenses in respect of the Tenanted Properties ("Net Rental Proceeds") with effect from 1 October 2020, as if such amount were a debt due from the Vendor to the Purchaser, and the Vendor were the principal obligor in respect of the same.

Rationale for Entry into Pre-Completion Arrangements Letter

Under the terms of the SPAs, the Vendor was supposed to cause the Developer to execute, and use its best endeavours to cause each of the tenants of the Tenanted Properties to execute a Deed of Novation whereby the tenants shall agree to the substitution of the Purchaser for the Developer ("**Novation Arrangement**"), or if any of the tenants shall refuse to execute the Deed of Novation, to 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 tenancy agreements in respect of the Tenanted Properties ("**Assignment Arrangement**").

Pursuant to the Pre-Completion Arrangements Letter, the Vendor has agreed to bear the responsibility and liability to make payment of an amount equal to the Net Rental Proceeds to the Purchaser with effect from 1 October 2020, following the effecting of the Pre-Completion Arrangements, instead of having the Purchaser receive the Net Rental Proceeds through the Novation Arrangement or the Assignment Arrangement (as the case may be).

The Audit Committee is of the opinion that the substitution of the Pre-Completion Arrangements Letter for the Novation Arrangement or the Assignment Arrangement (as the case may be) does not amount to a material variation of the terms of the SPAs or materially detriment or prejudice the Purchaser's interests, *inter alia*, as:

(a) the Purchaser would, in either case, be receiving payment of the Net Rental Proceeds with effect from 1 October 2020, save that the Purchaser would be relying on the Vendor's contractual obligation to pay such amounts to the Purchaser under the Pre-Completion Arrangements Letter while the Purchaser would be able to have direct recourse to the tenants or the Developer for recovery of the rental proceeds due under the tenancy agreements in respect of the Tenanted Properties under the Novation Arrangement or Assignment Arrangement (as the case may be).

(b) The Vendor has agreed and undertaken to procure the Novation Arrangement or Assignment Arrangement to be effected in respect of the Tenanted Properties by no later than the completion of the sale and purchase of the Properties.

(c) In the event completion of the sale and purchase of the Properties does not occur or take place by 30 March 2021, the termination and unwinding provisions in the SPAs in respect of termination of the SPAs required pursuant thereto can still take place (and may, in fact, be easier to implement under the terms of the Pre-Completion Arrangements Letter rather than the Novation Arrangement or Assignment Arrangement (as the case may be)).

(d) Furthermore, since the Purchaser would start to receive payment and the benefit of the Net Rental Proceeds once it effects the Pre-Completion Arrangements, it would be in the interests of the Purchaser not to delay this, *inter alia*, due to the additional time needed for the Vendor to procure the Novation Arrangement or Assignment Arrangement (as the case may be).

The Company shall make further announcements in relation to any material updates on the Proposed Acquisition, as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board

Woon Ooi Jin
Executive Director
30 September 2020
