

**Issuer:** Amplefield Limited  
**Security:** Amplefield Limited

**Meeting details:**

Date: 20 January 2017

Time: 13:00H

Venue: RELC International Hotel, Room 602, Level 6, 30 Orange Grove Road, Singapore 258352

**Company Description**

Amplefield Limited, an investment holding company, engages in the property development, construction, and facility provision in Malaysia and Philippines. It is also involved in property investment and trading services. The company is based in Kuala Lumpur, Malaysia.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=AOF](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=AOF))

**Q1.** In the Chairman's Statement (page 3 of the annual report), the Chairman had discussed global macro-level events such as commodity prices, weak oil markets, headline inflation and monetary policies. In the section on "Review of Operations", details of the Group-specific operational highlights were lacking. For instance, it was said that "The revenue in FY2016 is derived mainly from the progress billings arising from the Group's property development project in the Philippines". However, the annual report contained no further information on the group's property development project, such as location, land size, net saleable area, type of development, progress of construction, percentage sold and targeted completion date.

Shareholders would appreciate such important information to be presented in a clear and succinct manner.

- a) **For future annual reports, would the board consider including new sections on Company profile, Financial highlight (including a 3-5 year summary), more detailed Operational Review and an Executive Director/CEO's Statement?**
- b) **For FY2016, please provide shareholders with details of the group's property development project in the Philippines.**
- c) **In the Chairman's Statement, Vietnam was the other country in which the group had earlier identified opportunities. Please update shareholders on the group's plans and progress for the Vietnamese market.**

**Q2.** On 30 May 2016, the Company disposed of its entire interest in equity and share capital of CAM Mechatronic (Philippines), Inc. and its associates, CAM Ventures Development, Inc. and Amplefield Land (Philippines), Inc. (collectively the "disposal group") for a consideration of \$1,800,000. The group's effective equity interests in CAM Ventures Development, Inc. and Amplefield Land (Philippines), Inc. were both 40% prior to the disposal.

On 16 December 2016, the subsidiary, Amplefield Development, Inc. has entered into the sales and purchase agreements to acquire 16 units of semi-detached warehouse building from the former associate, Amplefield Land (Philippines), Inc. for total purchase consideration of \$23,442,000.

In Note 10 (Investment in Associates - page 53), it was disclosed that Amplefield Land (Philippines), Inc. owned 16 units of semi-detached warehouse buildings sitting on a piece of freehold land (total area of 48,000 sqm).

- a) **Can the audit committee help shareholders understand why the company disposed of the 40% effective equity interest in Amplefield Land (Philippines), Inc. only to buy back the assets held by Amplefield Land (Philippines) 6 months later?**
- b) **The 30 May 2016 Disposal announcement mentioned a valuation by an independent valuer of at Peso 938 million (approx. SGD28.4 million) for the 16 units of SME factory buildings and land but valued Amplefield Land (Philippines), Inc, using the NTA. At the point of disposal of CAM Mechatronic (Philippines), Inc. in May 2016, what was the net asset value of Amplefield Land (Philippines), Inc, adjusting for any valuation surplus?**

**Q3.** The company holds three 60-years leasehold investment properties in Pasir Gudang, Johor, Malaysia. The industrial/factory buildings sit on a combined land area of 19,181 sqm, carried at a book value of \$3.3 million as at 30 September 2016. The rental income for FY2016 was \$85k (Note 20 – page 62) and the direct operating expenses arising from investment properties that generated rental income (Note 24 – page 63) amounted to \$45k. The properties are generating pre-tax profit (before depreciation) of about \$40k a year. Based on the valuation, the pre-tax rental yield (before depreciation) is about 1.2%.

- a) Direct operating expenses account for 53% of the total rental income. **Can the company help shareholders understand if this is in line with market?**
- b) **Given that the current pre-tax yield (before depreciation) is about 1.2%, is this the best use of the company's capital?**
- c) **Has the board/company review the group's investment performance? Are the Malaysian investment properties still core to the strategic plans of the group?**