

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

**Meeting details:**

Date: 26 January 2018

Time: 1.00 pm

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 the 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.** On 30 May 2017, the company announced that its (then) 50.98% owned indirect subsidiary, CBVN, has entered into a joint development agreement (JDA) with SVC for the implementation of the Phase 1 in the township development project at Le Minh Xuan Ward, Binh Chanh District, Ho Chi Minh City, Vietnam. The first phase of the project is for an area measuring 9.32 hectares with an estimated gross development value of approximately USD178 million. This follows the Memorandum of Agreement (MOA) between CBVN and SCV made on 25 May 2015.

On 28 August 2017, the company announced that the parties have mutually agreed to terminate the JDA agreement and shall be discharged from any and all duties and obligation set out therein and thereafter no party shall have or make any claim against the other in respect of matters contained in the JDA.

About two years after the initial MOA, the JDA was entered into and mutually terminated just three months later.

- a) Can management provide shareholders with better visibility on the reasons for the mutual termination of the JDA?**

The company also announced that:

*Following the Termination, CBVN's earlier initial performance deposit of USD10 million to SVC will be assigned as security deposit for future contracts to be awarded by SVC.*

- b) Would the board, especially the independent directors, comment if it would be prudent and appropriate for CBVN to ask for its performance deposit of USD10 million back from SVC, given that the sum was advanced to SVC for the sole purpose of the joint development (which has since been terminated)? Can the board elaborate further on the deliberations it has had on this matter?**

**Q2.** In Note 12 (page 69 – Goodwill), the company disclosed that it has recognised goodwill of \$1.475 million from the acquisition of Citybuilders (Vietnam) Co., Ltd.. As explained in Note 12, the recoverable amount of the Cash-Generating Unit (“CGU”) including goodwill has been determined based on value-in-use calculations using management-approved discounted cash flow projections covering a period of 5 years and projection to terminal year. The key assumptions used by the company is shown below:

	Revenue growth rate %	Terminal growth rate %	Discount rate %
Citybuilders (Vietnam) Co., Ltd.	240	Nil	2.87

(Source: Company annual report)

- a) Can management help shareholders understand how it justifies the use of a revenue growth rate of 240%?**
- b) Can management elaborate further on the use of a discount rate of 2.87% as appropriate and justified? What was the basis of choosing a discount rate of 2.87% for the nature of the business that the CGU is involved in?**
- c) Can the audit committee explain its role in the preparation of the financial statements? In addition, can the audit committee tell shareholders the deliberations it had on the calculations of the value-in-use of the CGU and why it had considered the use of 240% growth rate and a 2.87% discount rate as appropriate?**

On page 70, the company has also disclosed the following:

- If the estimated revenue growth rate at the end of the reporting period had been 5 percent point less favourable than management's estimates at the end of the reporting period, there would be a need to reduce the recoverable amount of goodwill by \$1,475,000.
  - If the revised estimated discount rate at the end of the reporting period had been 5 percent point less favourable than the management's estimates at the end of the reporting period, there would be a need to reduce the recoverable amount of goodwill by \$1,475,000.
- d) Can management confirm that if it had used a growth rate of 235% (5 percent point less favourable) or if it had used a discount rate that is 5% less favourable, the entire goodwill of \$1.475 million will be impaired?

**Q3.** Guideline 4.7 of the 2012 Code of Corporate Governance (Code) states that:

*Key information regarding directors, such as academic and professional qualifications, shareholding in the company and its related corporations, board committees served on (as a member or chairman), date of first appointment as a director, date of last re-appointment as a director, directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments, should be disclosed in the company's Annual Report.*

On pages 4 to 6, the company has provided the directors' profiles. On pages 16 and 17 of the annual report, the company has provided the information in Table 4.7 – Directors' Key Information, as reproduced below:

**Table 4.7 – Directors' Key Information**

Name of Director	Board Membership	Date of first appointment	Date of last re-appointment	Directorships in other listed companies		Other Principal Commitments
				Current	Past three years	
Albert Saychuan Cheok	Independent Chairman	25 November 2009	30 January 2015	International Standards Resources Holdings Limited Hongkong Chinese Limited China Aircraft Leasing Group Holdings Limited 5G Networks Limited	Macau Chinese Bank Auric Pacific Group Bowsprit Capital Corporation Ltd Lippo Mapletree Indonesia Retail Trust Management Ltd Adavale Resources Limited	Vice Governor, Board of Governors, Malaysian Institute of Corporate Governance
Ng Chin Hoo	Independent Non-Executive Director	15 September 2015	29 January 2016	SHL Consolidated Bhd	Nil	Nil
Chong Kum Fatt	Independent Non-Executive Director	23 June 2016	20 January 2017	Nil	Nil	Assistant Director, Finance Division of Singapore General Hospital
Yap Weng Yau	Executive Director	22 February 2013	20 January 2017	Nil	Nil	Nil
Phan Chee Shong	Executive Director	30 May 2016	20 January 2017	Nil	Nil	Director of Niche Properties Sdn Bhd
Woon Ooi Jin	Executive Director	11 February 2010	20 January 2017	Nil	Nil	Nil

(Source: Company annual report)

**Can the company confirm that the information in the table and in the directors' profile is complete and exhaustive to meet the requirements of Guideline 4.7 of the Code?**

A copy of the questions for the Annual Report for the financial year ended 30 September 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Amplefield%20Ltd>

The company's response could be found here: -----