

7 April 2021

ASX Announcement

Proposal for Mayfield to acquire Adelaide property

The Directors of Mayfield Group Holdings Limited (**Mayfield**) announce that, subject to shareholder approval, it is proposed that Mayfield Industries Pty Ltd (**Mayfield Industries**), a 100% subsidiary of Mayfield, enter into a sale and purchase agreement (**Purchase Agreement**) with Mayfield Property Holdings Pty Ltd ACN 166 321 464 (**Vendor**) in relation to the acquisition of the property known as 3 Gidgie Court, Edinburgh, SA (**Property**).

Shareholder approval

The Vendor is an entity in which two of Mayfield's directors, Lindsay Phillips and Alan Steele, have a shareholding interest and are directors. Therefore, the acquisition of the Property falls within ASX Listing Rule 10.1.1 and involves the acquisition of a "substantial asset" from a related party. Approval of Mayfield's shareholders under ASX Listing Rule 10.1.1 is required for the acquisition to proceed.

About the property

Mayfield Industries is the current lessee of the Property and uses it as its main manufacturing facility where design, fabrication, assembly and commissioning operations take place.

The lease commenced in December 2013 and will expire in December 2023 with no right of renewal. The current rent is \$499,157 per year (excluding outgoings) and is subject to annual CPI increase.

Mayfield Industries is a 100% subsidiary of Mayfield. Mayfield Industries is Mayfield's largest subsidiary and produces customised switchboards, kiosks and transportable switch rooms for critical, electrical infrastructure for industries and utilities. Switchboard products are of 'modular' or 'custom-built' design. Modular configurations include the Okken-licensed, 'fully-withdrawable' solution and Mayfield's own Moducell, 'demountable' solution, for industrial and infrastructure applications where process safety and reliability are critical. Products are characterised by high customisation, innovation and client collaboration.

The Property is expected to remain eminently suitable for Mayfield Industries business for the foreseeable future. Significant improvements have been made to the Property throughout the life of the lease and, if the acquisition takes place, Mayfield Industries expects to continue to improve and expand the facilities.

Purchase price and funding

The total consideration payable by Mayfield Industries for the Property is \$7,425,000 (excluding GST) paid on settlement. A loan facility of approximately \$5.2 million has been secured from the Commonwealth Bank of Australia to fund the purchase price. The balance of the consideration will be funded from cash reserves of Mayfield and Mayfield Industries.

Shareholders' meeting

A meeting of shareholders to consider the acquisition is proposed to be held on 18 May 2021 at 11AM at the Adelaide office of Mayfield. A Notice of Meeting (**NOM**) is intended to be dispatched to shareholders on 13 April 2021. The NOM will contain further information on the Property together with an Independent Expert's Report prepared by Hall Chadwick setting out Hall Chadwick's opinion as to whether the transaction is fair and reasonable to those shareholders of Mayfield who are not associated with the Vendor.

This announcement was authorised by the Mayfield Chair, Lawrence Case.

Further information:

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