

AMPLEFIELD LIMITED

(Company Registration Number 198900188N)

(Incorporated in the Republic of Singapore)

ENTRY INTO OF SALE AND PURCHASE AGREEMENT IN RELATION TO THE DISPOSAL OF THE COMPANY'S INTEREST IN THE EQUITY AND SHARE CAPITAL OF A SUBSIDIARY COMPANY IN THE PHILIPPINES

The Board of Directors ("**Board**") of Amplefield Limited (the "**Company**" and together with its subsidiaries the "**Group**") wishes to announce that the Company has entered into a sale and purchase agreement ("**Agreement**") with CMP Mechatronics Inc. (the "**Purchaser**"), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase all of the Company's interest in the equity and share capital (the "**Sale Shares**") in CAM Mechatronic (Phils.) Inc. ("**CMP**") and its associate companies CAM Ventures Development Inc ("**CVP**") and Amplefield Land Phils. Inc. ("**ALI**") (collectively the "**Sale Entity**") (the "**Proposed Disposal**"), free from all encumbrances and together with all the rights, dividends, benefits and entitlements attaching therefrom as from Completion.

Rationale of the Proposed Disposal

The Group's existing businesses consist principally of its property development and construction and construction related activities.

As announced earlier, the Group has moved away from its earlier manufacturing business since 1 April 2014 as the Board was of the opinion that it is difficult for the manufacturing component of its business to turn around in the near term due to cost volatility and increasing competition from both local and abroad. The Group has since ceased the manufacturing operations in the quarter ended 30 June 2014. Meanwhile, the Group continued to lease the machineries of its production facilities and factory premises held under the Sale Entity to the operators until a time when it is feasible to dispose them off.

This would now be done by way of divestment of the shares of its subsidiary, CMP to the Purchaser

The divestment of CMP together with its associate companies will enable the Group to unlock and realize the value of its assets comprising mainly plant and machinery and its investment activities in the associated companies which hold land and factories buildings in the Philippines which can then be redirected for investments with better returns.

The divestment will also allow the Group to focus its executive time and resources on its core property development, construction and construction related activities.

Information of the Assets Disposed and Sale Entity

The Sale Entity comprised of CMP together with its 40% shareholdings in associate companies, Amplefield Land Phils. Inc and CAM Ventures Development Inc. All the above companies are incorporated in the Philippines.

CMP owns some factory buildings and machinery assemblage at Light Industry & Science Park II, Calamba, Laguna, Philippines with a NBV of Peso 117.558 million (approx. SGD 3.56 million) as at 31 March 2016. These were valued at Peso 197.055 million (approx. SGD 5.97 million) based on a valuation done on 11 January 2016 by an independent valuer. The revaluation surplus is Peso 79.497 million (approx. SGD 2.4 million). The book value and NTA of CMP as at 31 March 2016 is Peso 8.5 million (approx. SGD 0.3 million). Taking into consideration the above revaluation surplus, the adjusted NTA of CMP would be SGD 2.7 million.

Meanwhile, CVP owns the piece of land on which CMP's buildings and machinery assemblage is sited. The NTA of CVP is negative (capital deficiency) Peso 104.286 million (approx. SGD 3.16 million) as per audited accounts as at 30 Sept 2015 while the adjusted NTA is negative Peso 91.692 million (approx. SGD 2.8 million) after taking into consideration revaluation surplus of Peso 12.594 million (approx. SGD 0.38 million)

based on a valuation done on 11 January 2016 by an independent valuer. As such, the adjusted NTA of CVP that is attributable to CMP by virtue of its 40% shareholding in CVP is negative Peso 36.677 million (approx. SGD 1.1 million)

ALI is the owner of Amplefield SME Park located within the Lima Technology Center, Batangas, Philippine. It owns 16 units of SME factory buildings and land for leasing, valued at Peso 938 million (approx. SGD28.4 million) based on valuation done on 11 January 2016 by an independent valuer, when completed. The audited NTA of ALI is negative (capital deficiency) Peso 8.056 million (approx. SGD 0.3 million) as at 30 Sept 2015 and the adjusted NTA of ALI that is attributable to CMP by virtue of its 40% shareholding in ALI is negative Peso 3.2 million (approx. SGD 0.1 million).

Based on the above, the adjusted NTA of the Sale Entity would be $\text{SGD}2.7\text{m} + 40\% \times (-\text{SGD}2.8\text{m}) + 40\% \times (-\text{SGD}0.3\text{m}) = \text{SGD}1.5\text{million}$

Information on the Purchaser

The Purchaser is a company incorporated in the Philippines by some of the ex-management and staff of the divested manufacturing operations for the purpose of acquiring the manufacturing assets and facilities from the Group and to continue with the manufacturing business. The ex-management and staff are the same persons who are presently managing the day-to-day operations of the manufacturing activities previously undertaken by CMP.

Consideration of the Proposed Disposal

The consideration ("Consideration") for the Sale Shares shall be the aggregate amount of SGD 1.8 million payable in four quarterly payments .

The Consideration of SGD 1.8 million is arrived at on a willing buyer willing seller basis after arm's length negotiations, and taking into account the aggregate adjusted net tangible asset ("NTA") value attributable to the Sale Entity of approx. SGD 1.5 million as based on computation above and the market value of the factory buildings held by the associated companies.

Salient terms & conditions

The repayment and settlement of all the outstanding liabilities of the Sale Entity to the Group

The pledging of the shares of CMP and its associate companies as security for payment of the consideration and for the repayment and settlement of the liabilities of the Sale Entity to the Group.

The purchase consideration shall be paid in four quarterly installment.

Conditions precedent attached to the Proposed Disposal

Completion of the Proposed Disposal is subject to the following conditions precedent ("Conditions Precedent"):

If required by the Listing Rules and laws of Singapore, the approval of the shareholders of the Company being obtained at an extraordinary shareholders meeting of the shareholders if the Company in respect of the transactions contemplated in this Agreement;

the Purchaser, the Sale Entity and the Company having performed all of the covenants and undertakings required to be performed by them under the Agreement on or before the Completion (other than those required to be performed at Completion).

Completion of Proposed Disposal

Completion of the Proposed Disposal shall take place on the date on which all the Conditions Precedent have been fulfilled or otherwise waived in writing ("**Completion Date**")

The Group intends to use the sale proceeds for working capital, repayment of bank borrowings and investments.

There are no put, call or other option attaching to the transaction

The excess of the proceeds over the book value or net asset of the assets disposed or gain on disposal is SGD1.4 million. The Group intends to use the sale proceeds for working capital, repayment of bank borrowings and investments.

Financial Effects of the Proposed Disposal

The financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Group after the completion of the Proposed Disposal.

The financial effects have been prepared on a proforma basis using the latest audited consolidated financial statements of the Group for the financial year ended 30 September 2015 ("FY2015")

The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year.

	Before completion of proposed disposal	After completion of proposed disposal
NTA	\$38.22 m	\$39.6 m
No. of issued shares	345,881,146	345,881,146
NTA per share	\$0.110	\$0.114

The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year

	Before completion of proposed disposal	After completion of proposed disposal
Net profit attributable to shareholders	\$0.767 m	\$2.167 m
Weighted average no. of shares	1,383,524,641	1,383,524,641
Earnings per share (cents)	0.06	0.16

Relative figures computed on the bases set out in Rule 1006 of the Listing Manual

Based on the audited consolidated financial statements of the Group for FY2015, the relative figures in respect of the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

	Sale Entity	Group	Relative Figures (%)
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Rule 1006(a)

The adjusted net asset value of the assets to be disposed of,	\$2.7m	\$38.2m	7
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compared with the Group's net asset value as at 30Sept2015

Rule 1006(b)

The net profits attributable to the assets disposed of as at	\$0.05m	\$0.727m	7
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30Sept15 compared with the Group's net profits as at 30Sept2015

Rule 1006(c)

Aggregate value of consideration received compared with	\$1.8m	\$12.1	15
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Market capitalization of the company as at 27May2016, being

the last full market day immediately preceding the execution

of the Agreement

Rule 1006 (d)

The number of equity securities issued by Company	Not applicable
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as consideration.

As the relative figures calculated pursuant to Rules 1006(a) to 1006(d) do not exceed 20%, the Proposed Disposal will be classified as a "disclosable transactions" within the meaning of Rule 1010 of the Listing Manual.

The Group intends to use the sale proceeds for working capital, repayment of bank borrowings and investments.

There are no put, call or other option attaching to the transaction

The excess of the sales consideration over the net book value of the assets disposed or gain on disposal is SGD 1.5 million (\$\$1.8m – \$\$0.3m) . The Group intends to use the sale proceeds for working capital, repayment of bank borrowings and investments.

None of the directors or controlling shareholder of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

By Order of the Board

Woon Ooi Jin

Director

30 May 2016