

AMPLEFIELD LIMITED
(Company Registration Number 198900188N)
(Incorporated in the Republic of Singapore)

ACQUISITION OF 40% EQUITY INTEREST IN CAM VENTURE DEVELOPMENT INC.

The Board of Directors (“**Board**”) of Amplefield Limited (the “**Company**” and together with its subsidiaries the “**Group**”) wishes to announce that its 98%-owned subsidiary company, Amplefield Development Inc. (the “**Purchaser**” or “**ADI**”), has entered into a binding agreement (“**Agreement**”) with CMP Mechatronics Inc. (the “**Vendor**” or “**CMP Mechatronics**”), pursuant to which the Purchaser has agreed to buy and the Vendor has agreed to sell 49,998 ordinary shares (“**Sale Shares**”) representing approximately 40% of equity interest in CAM Ventures Development Inc. (“**CAM VD**”), free from all encumbrances and together with all the rights, dividends, benefits and entitlements from any issued shares attaching therefrom (the “**Proposed Share Acquisition**”).

Information on the Vendor

As at the date of this announcement, the Vendor is the beneficial owner of the Sale Shares, representing approximately 40% of equity interest in CAM VD. The Vendor and its ultimate beneficial shareholders are independent third parties from the Company, Directors and its controlling shareholders as well as their respective associates.

The remaining 60% equity interest in CAM VD is held by local Philippines shareholders who are independent third parties from the Company, Directors and its controlling shareholders as well as their respective associates.

Information on CAM Ventures Development Inc

CAM VD is a company incorporated in the Republic of the Philippines with a subscribed share capital of 125,000 shares of par value Peso 10 each, which have been fully paid up. CAM VD is principally engaged in investment in real estate properties in the Philippines.

CAM VD is the owner of a land parcel measuring 18,049 square meters (“**Land Parcel**”) together with five main industrial buildings and related facilities with a total built-up area of about 9,000 square meters erected thereon (the industrial buildings and related facilities shall collectively be referred to as the “**Property Assets**”), located within a PEZA economic zone known as The Light Industry and Science Park II, Calamba City, Laguna, Philippines which were acquired from CAM Mechatronic (Phils.) Inc. (“**CAM Mechatronic**”) earlier. CAM VD is a 40% owned associate of CAM Mechatronic, and the latter is a 99.99% owned subsidiary of CMP Mechatronics. At present, the Property Assets are fully tenanted under a long-term lease of 5 years at a rental of approximately USD 20,000 per month.

The unaudited profit before tax of CAM VD was Peso 5.3 million (approximately S\$136,000) for the financial year ended 30 September 2018 (“**FY2018**”). As such, the profit before tax attributable to the Sale Shares was Peso 2.1 million (approximately S\$54,400). Based on its unaudited financial statements as at 30 September 2018, the unaudited net asset value of CAM VD as at 30 September 2018 was negative Peso 75.8 million (approximately S\$1.9 million).

However, the fair market value of the Property Assets, based on an independent valuation done in 2016 conducted by CB Richard Ellis Philippines, Inc that was commissioned by CAM VD is Peso 12.3 million (approximately S\$315,000) as at 11 January 2016 (“**2016 Valuation**”). The 2016 Valuation is derived based on cost approach method. As such, the adjusted unaudited net asset value of the Sale Shares as at 30 September 2018 after taking into consideration the 2016 Valuation would be Peso 4.9 million (approximately S\$126,000). The Company is satisfied with using the 2016 Valuation as the basis for the fair market value of the Property Assets as there is no indication that the Property Assets are materially impaired so as to reduce its usefulness or value or any material changes to the industrial property market there.

Consideration of the Proposed Share Acquisition

The consideration (“**Consideration**”) for the Sale Shares shall be S\$1.0 million, payable by the Company by way of offsetting against certain outstanding indebtedness owing from CMP Mechatronics to the Company. As at 30 September 2018, CMP Mechatronics owed the Group an aggregate amount of approximately S\$11.4 million (“**CMP Mechatronics Outstanding Amounts**”), which amount shall be deemed reduced by the amount of the Consideration upon the completion of the Proposed Share Acquisition.

The Consideration was arrived at on a willing buyer willing seller basis after arm’s length negotiations, after taking into account, *inter alia*, the adjusted unaudited net asset value of the Sale Shares as at 30 September 2018 as mentioned above as well as the recurring rental income and cashflows from the Property Assets.

Salient Terms to the Proposed Share Acquisition

As part of the terms of the Proposed Share Acquisition, the Vendor has agreed and undertaken to repay or otherwise settle or satisfy part of the CMP Mechatronics Outstanding Amounts owing to the Company and the Group by procuring certain indebtedness of CAM VD owing to the Vendor and/or its group of companies to be assigned to the Group, with a view that the Group may subsequent to the assignment seek recourse against CAM VD and/or its assets for the repayment of such indebtedness.

In addition, in the event that the Purchaser wishes to sell, transfer or otherwise dispose of the Sale Shares or part thereof to a third party, the Vendor shall be given the first right of refusal to buy or acquire back the Sale Shares or part thereof at the same consideration and with the same terms and conditions.

Rationale for the Proposed Share Acquisition

The Group’s existing businesses consist principally of property development, construction and construction related activities as well as holding of investments in property-related assets. In this respect, the Group has sought business opportunities that closely complement its existing line of business.

The Board is of the view that the Proposed Share Acquisition would be beneficial to the Group by expanding its portfolio of investment properties to earn investment income through CAM VD. Whilst CAM VD will only be an indirect 40%-owned associated company of the Company upon completion of the Proposed Share Acquisition, the Board has assessed that it would have significant influence over the Property Assets and the Land Parcel owned by CAM VD considering, *inter alia*, that the Purchaser would be the single largest shareholder in CAM VD upon completion of the Proposed Share Acquisition, and CAM VD’s board of directors would include persons who are nominee directors or representatives of the Group, as further elaborated below.

Dato Sri Yap Teiong Choon and Mr Woon Ooi Jin, who are the controlling shareholder and executive director of the Company respectively, had historically been appointed as directors of CAM VD (with each of them holding one (1) share of CAM VD, for purposes of qualification for appointment as director) prior to the Group’s disposal of CAM Mechatronic in 2016, and with the Proposed Share Acquisition, will continue to serve on the board of directors of CAM VD as the nominee directors or representatives of the Group.

The Group will also have an opportunity to reduce the amounts owing by the Vendor to the Group in respect of the CMP Mechatronics Outstanding Amounts, pursuant to the arrangements agreed by relevant parties, as elaborated above.

Relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules

Based on the latest announced unaudited consolidated financial statements of the Group and CAM VD for FY2018, the relative figures for the Proposed Share Acquisition, computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (the “Catalist Rules”) are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable
(b)	Net profit attributable to the Sale Shares of approximately S\$54,400 compared with the Group’s net profits of approximately S\$921,000 ⁽¹⁾	5.9%
(c)	Aggregate value of the consideration given of S\$1 million compared with the Company’s market capitalisation of approximately S\$20.7 million as at 5 December 2018 based on the total number of issued shares excluding treasury shares ⁽²⁾	4.8%
(d)	Number of equity securities issued as consideration for an acquisition, compared with the number of securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) Net profit refers to profit before income tax, minority interests and exceptional items.
- (2) Computed based on the Consideration of S\$1.0 million and the market capitalization of the Company of approximately S\$20.7 million, which is determined by multiplying the issued share capital of the Company of 900,617,536 shares with the volume weighted average price of such shares transacted on 5 December 2018 of S\$0.023 per share, being the Company’s share price transacted on the market day preceding the date of Agreement.

As the relative figure computed under Catalyst Rules 1006(b) exceeds 5% but does not exceed 75%, the Proposed Share Acquisition is a “disclosable transaction” pursuant to the Catalyst Rules.

Financial Effects of the Proposed Share Acquisition

The Proposed Share Acquisition is not expected to have any material impact on the earnings per share of the Company and Group for FY2018, assuming that the transaction had been effected at the beginning of FY2018.

The Proposed Share Acquisition is not expected to have any material impact on the net tangible assets per share of the Company for FY2018, assuming that the transaction had been effected at the end of FY2018.

Interest of Directors and controlling shareholders

Save as disclosed above, none of the directors or controlling shareholder of the Company, and/or their respective associates has any interest, direct or indirect (other than through their shareholdings in the Company), in the Proposed Share Acquisition.

Service Contracts of Proposed Directors

There are no service contracts with any directors proposed to be appointed to the Company in connection with the Proposed Share Acquisition

Documents for Inspection

A copy of the Agreement and the 2016 Valuation is available for inspection at the Company's registered office at 101A, Upper Cross Street #11-16 People's Park Centre, Singapore 058358, for a period of three (3) months from the date of this announcement.

By Order of the Board

Woon Ooi Jin
Executive Director

6 December 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).