ADVANCED INTEGRATED MANUFACTURING CORP. LTD.

(Company Registration No.: 200405216C)

(Incorporated in Singapore)

DISPOSAL OF PROPERTY SITUATED IN PENANG

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of Advanced Integrated Manufacturing Corp. Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Vincente Property Sdn. Bhd. ("**Vincente**"), had entered into a sale and purchase agreement (the "**Agreement**") with ROGP Industries Sdn. Bhd. (the "**Purchaser**") to dispose of its property situated at Lot PT No. 1353, held under H.S. (D) 16501, Seksyen 1, Bandar Tanjong Pinang, Daerah Timor Laut, Negeri Pulau Pinang (the "**Property**") (the "**Proposed Disposal**").

1.2 The consideration for the Proposed Disposal is Malaysian Ringgit Eleven Million (RM11,000,000) (the "**Consideration**").

2. INFORMATION ON VINCENTE AND THE PROPERTY

2.1 Vincente is a wholly owned subsidiary of the Company in Malaysia. Its principal business activities are land banking and property investment.

2.2 Vincente purchased the Property in 2013 for a consideration of Malaysian Ringgit Seven Million Two Hundred and Eighty Thousand (RM7,280,000). The Property has an aggregate area of approximately 1,838.7 square metres. It has a freehold tenure and is a vacant bungalow lot that is part of the "Martinique – Luxury Villas By-The-Sea" developments in Seri Tanjung Pinang, Penang.

3. VALUE OF THE PROPERTY

3.1 As at 30 June 2016, the net book value of the Property is approximately RM7,617,900.

4. SALIENT TERMS OF THE PROPOSED DISPOSAL

4.1 Consent of State Authority for the Proposed Disposal

The sale and purchase of the Property shall be subject to, *inter alia*, Vincente obtaining, at its own costs and expenses, a State Authority consent sanctioning the sale of the Property from Vincente to the Purchaser. In the event for any reason whatsoever the foregoing State Authority consent cannot be obtained, the Purchaser shall be entitled to terminate the Agreement by giving Vincente written notice. In such event Vincente shall refund without interest all monies paid by the Purchaser within seven (7) days from the date of the written notification. The State Authority consent had been obtained on 13 October 2016.

4.2 Consideration

The Consideration of RM11,000,000 shall be payable in cash. The Consideration is arrived at after arm's length negotiations and on a willing-buyer, willing-seller basis after taking into account, *inter alia*, the prevailing property market conditions in Penang and the current market value of similar properties in the vicinity.

As at the date of this announcement, the Purchaser has paid to Vincente a total deposit of RM1,100,000 (being 10% of the Consideration). The balance of the Consideration of RM9,900,000 (being 90% of the Consideration) shall be paid by the Purchaser within three (3) months from the date of receipt of the State Authority's written consent sanctioning the sale of the Property from Vincente to the Purchaser with an automatic extension of one (1) month for the completion of the purchase of the Property and the Purchaser shall pay to Vincente an interest at the rate of six per centum (6%) per annum on the unpaid balance sum calculated on daily basis from the next day after the expiry of the said three (3) months period till the date of actual payment of the balance sum.

5. GAIN FROM THE PROPOSED DISPOSAL

The Consideration of RM11,000,000 represents an excess of RM3,382,100 over the net book value of the Property and the amount of gain from the Proposed Disposal is estimated to be RM2,677,070 after taking into account the associated costs of the Proposed Disposal.

6. RATIONALE OF THE PROPOSED DISPOSAL AND INTENDED USE OF PROCEEDS

The Proposed Disposal will allow the Group to unlock the value of the Property. The proceeds from the Proposed Disposal will provide the Group with additional working capital to fund the operations of its core businesses and also to undertake new investment opportunities that may arise in the future towards achieving a higher level of shareholders' value.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

7.1 The proforma financial effects of the Proposed Disposal on the Group as set out below are for illustrative purposes only and do not reflect either the actual financial effects of the Proposed Disposal on the Group, or the future financial performance and/or position of the Group immediately following the completion of the Proposed Disposal.

7.2 Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 ("**FY2015**") and assuming that the Proposed Disposal had been completed on 31 December 2015, the Company's net tangible assets per share as at 31 December 2015 would have been US$0.4206 instead of US$0.4158.

7.3 Based on the audited consolidated financial statements of the Group for FY2015 and assuming that the Proposed Disposal had been completed on 1 January 2015, the Company's earnings per share for FY2015 would have been US$0.44 instead of US$-0.09.

8. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006

The relative figures for the Proposed Disposal computed on the relevant bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual (the "**Listing Manual**") and based on the latest unaudited consolidated financial statements of the Group for the financial period ended 30 June 2016 are as follows:

Rule 1006	**Base**	**Relative figure computed in accordance with the bases set out in Rule 1006**
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	7.96% (1)
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	Not applicable to the Proposed Disposal as the subject matter is property
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation	16%(2)
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable to the Proposed Disposal

Note:

(1) Based on the unaudited financial statements of the Group for the financial period ended 30 June 2016, the net asset value attributable to the Property was US$1,890,767 and the net asset value of the Group was approximately US$28,690,145.

(2) The Consideration of RM11,000,000 (equivalent to S$3,630,220 based on the exchange rate of SGD1.00 : RM3.03 as at 17 October 2016) is compared to the market capitalisation of the Company of approximately S$22,669,248 based on the weighted average price of the Shares transacted on 17 October 2016 of S$0.172.

As the relative figures under Rule 1006(a) and Rule 1006(c) exceed 5% but do not exceed 20%, the Proposed Disposal constitutes a discloseable transaction pursuant to Rule 1010 of the Listing Manual.

9. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect in the Proposed Disposal.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company situated at 23 Ubi Crescent Singapore 408579 for 3 months from the date of this announcement.

By order of the Board

Ong Beng Hong
Company Secretary
20 October 2016