

# ACROMEK LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 2015440003M)



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## PROPOSED SUBSCRIPTION OF 16,000,000 SHARES IN THE CAPITAL OF THE COMPANY

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### 1. Introduction

The Board of Directors of ACROMEK Limited (the “**Company**”) wishes to announce that the Company has entered into three separate conditional subscription agreements (the “**Agreements**”) dated 23 January 2018 with the following persons (collectively, the “**Subscribers**”):

- (a) each of CWX Investments Pte. Ltd., China Equity Investment Limited, Lim Tiong Kheng Steven, CJM Global Limited and Tiong Hua Ting;
- (b) Tan Peng Yaow; and
- (c) Ng Pei Eng,

(collectively, the “**Subscribers**”).

Pursuant to the Agreements, the Subscribers shall subscribe for, and the Company shall allot and issue, an aggregate of 16,000,000 new ordinary shares (the “**New Shares**”) at an issue price of S\$0.24 (the “**Issue Price**”) for each New Share (the “**Share Subscription**”), amounting to an aggregate consideration of S\$3,840,000.

The Share Subscription is not underwritten, and there is no placement agent appointed for the purpose of the Share Subscription. The Share Subscription is made pursuant to the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Share Subscription.

The Share Subscription would not result in any transfer of controlling interest in the Company, and the New Shares will not be issued to any of the persons set forth in Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”).

### 2. Share Subscription

#### 2.1 Ranking and Subscription Price

The Issue Price represents a discount of approximately 3.9% to the volume weighted average price of S\$0.2497 for trades done on the Shares on the SGX-ST on 23 January 2018 (being the full market day on which the Agreements were signed). The Share Subscription and the Issue Price was commercially agreed between the Company and the Subscribers, after arm’s length negotiations and with reference to the price for trades done on the Shares on the SGX-ST.

The New Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the then existing ordinary shares of the Company (“**Shares**”), except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the New Shares.

#### 2.2 Authority to allot and issue the New Shares

The Company will allot and issue the New Shares pursuant to the general share issue mandate granted by shareholders of the Company at the annual general meeting held on 24 January 2017 (the “**2017 AGM**”) (the “**Share Issue Mandate**”).

Pursuant to the Share Issue Mandate, the Directors are authorised to issue not more than 122,563,978 ordinary shares, being 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2017 AGM, of which the aggregate number of shares to be issued other than on a *pro rata* basis to existing shareholders shall not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the 2017 AGM, being 61,281,989 ordinary shares. As such, the New Shares to be issued and allotted pursuant to the proposed Share Subscription is within the limits of the Share Issue Mandate.

The New Shares, when issued and allotted, represent approximately 13.05% of the existing issued share capital of the Company comprising 122,563,978 ordinary shares as at the date of this announcement, and will represent approximately 11.55% of the enlarged issued share capital of the Company comprising 138,563,978 ordinary shares after the allotment and issue of the New Shares.

### 2.3 Information on the Introducer and the Subscribers

*Shareholders should note that the information relating to the Introducer and the Subscribers in this paragraph and elsewhere in this Announcement were provided by the Introducer and the Subscribers, respectively. The Company and the Directors have not independently verified the accuracy and correctness of such information.*

The Subscribers, save for Tan Peng Yaow who is a director and shareholder of a supplier to the Company, were introduced by the Company's appointed introducer, TSS Capital Pte. Ltd., an independent third party. TSS Capital Pte. Ltd. was founded and is headed by Tan Tze Seng. It is principally engaged in the business of investment holding and consultancy. Subject to the completion of the proposed Share Subscription, there will be an introducer fee of S\$96,000 payable to TSS Capital Pte. Ltd. by the Company, in connection with the Share Subscription. No commission will be shared with any Subscribers.

The details of the Subscribers, including the respective number of New Shares to be allotted and issued to each of the Subscribers, are as follows:

<b><u>Subscriber</u></b>	<b><u>Number of New Shares</u></b>	<b><u>Aggregate Issue Price</u></b>	<b><u>Percentage shareholding over the enlarged share capital</u></b>
CWX Investments Pte. Ltd., a subsidiary of CWX Global Limited, a company listed on the Catalist Board of the SGX-ST	4,000,000	S\$960,000	2.89%
Tan Peng Yaow, an individual investor who is a director and shareholder of Bio-Pointe Pte Ltd, a supplier to the Company	4,000,000	S\$960,000	2.89%
China Equity Investment Limited, a corporate investor owned by Tay Kwong Hwa	3,000,000	S\$720,000	2.17%
Lim Tiong Kheng Steven, an individual investor who is a director of Kenbright Capital Pte Ltd	2,000,000	S\$480,000	1.44%
CJM Global Limited, a corporate investor owned by Tan Yee Kit	1,500,000	S\$360,000	1.08%

Ng Pei Eng, an individual investor who was previously the chief financial officer of Sincap Group Limited	800,000	S\$192,000	0.58%
Tiong Hua Ting, an individual investor who is a director of Fit Fund Investments Pte Ltd, Fit Global Pte Ltd and TEC Advance Trading Pte Ltd	700,000	S\$168,000	0.51%

The Subscribers have each warranted that they are not directors or substantial shareholders of the Company or any other person specified under Rule 812(1) of the Catalist Rules. As far as the Directors are aware, the Subscribers are individuals and entities wishing to invest in the Company. Save for Tan Peng Yaow, they were introduced to the Company by TSS Capital Pte. Ltd.

Save for Tan Peng Yaow, to the best of the knowledge of the Directors, none of the Subscribers, their directors and substantial shareholder has any connections (including business relationships) with the Company, its directors and substantial shareholders.

#### 2.4 Conditions of Share Subscription

The Company shall, through its sponsor, submit an additional listing application to the SGX-ST for the New Shares to be listed and quoted on the Catalist Board of the SGX-ST, and shall execute all such documents and do all acts and things as may be necessary or advisable for such purpose. The Company will make the necessary announcement when it has received the listing and quotation notice (the “LQN”) from the SGX-ST, or as and when appropriate.

The obligations of the Subscribers to subscribe for the New Shares are conditional upon, *inter alia*, the following being fulfilled on or prior to five business days from the date of the Agreements, or such date as the parties may agree (the “**Back-Stop Date**”):

- (a) the Company obtaining the LQN from the SGX-ST and delivery by the Company to the Subscribers of the LQN on or prior to the Back-Stop Date; and
- (b) there being no breach of the conditions attached to the LQN from the date of the LQN is obtained by the Company to the Completion Date (as defined below)(both dates inclusive);
- (c) the execution of an escrow agreement (the “**Escrow Agreement**”) by the Company, the Subscribers (save for Ng Pei Eng and Tan Peng Yaow) and the escrow agent relating to, *inter alia*, the escrow of the aggregate Subscription Price for the New Shares;
- (d) there being no breach of any representations, warranties and undertakings required to be performed or caused to be performed by the Company under the Agreements from the date of the Agreements and up to and including the Completion Date (as defined below); and
- (e) there having been, from the date of the Agreements and up to and including the Completion Date (as defined below), no material adverse change or development or event involving a prospective change likely to result in a material adverse change to the condition (financial or otherwise), prospects, results of operations or general affairs of the Group.

If any of the conditions for the Share Subscription is not satisfied or waived by the Subscribers before the Back-Stop Date, the Agreements shall *ipso facto* cease and determine as between the Company and the Subscribers, without prejudice to any rights accrued in relation to any antecedent breach of any obligations and liabilities under the Agreements.

The completion of the Share Subscription is expected to take place three business days after the later of (a) the receipt by the Company of the LQN from the SGX-ST for the listing, dealing and quotation of the New Shares on the Catalist Board of the SGX-ST; or (b) the date of execution of the Escrow Agreement, or such later date as the parties may agree (the “**Completion Date**”).

### **3. Financial Effects of Share Subscription**

Pursuant to the issue of the New Shares, the issued and paid share capital of the Company will increase from S\$13,018,043 divided into 122,563,978 Shares to S\$16,858,043 divided into 138,563,978 Shares. The New Shares represents approximately 13.05% of the existing issued share capital of the Company, and approximately 11.55% of the enlarged issued share capital of the Company. The Company does not hold any treasury shares and subsidiary holdings.

The basic loss per Share (“**LPS**”) and the net asset value (“**NAV**”) per Share of the Company and its subsidiaries (the “**Group**”) based on the audited financial statements of the Group for the financial year ended 30 September 2017 (“**FY2017**”) were 3.76 cents and 5.72 cents respectively. The LPS and NAV per Share of the Group for FY2017, after adjusting for the Share Subscription, would be 3.32 cents and 5.06 cents respectively.

The financial effects of the Share Subscription set out above are for illustrative purposes only and are therefore not indicative of the actual financial performance or position of the Group upon completion of the proposed Share Subscription.

### **4. Purpose and Use of Proceeds**

The gross proceeds raised from the Share Subscription of S\$3,840,000 will, after deducting expenses relating thereto of approximately S\$146,000, be used for general working capital purposes.

Pending the deployment of the net proceeds for the purpose as set out above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market and/or debt instruments or used for any other purposes on a short-term basis as the Directors may deem fit.

The Company will make periodic announcements on the utilisation of the net proceeds from the Share Subscription when such proceeds are materially disbursed and will provide a status report on the use of such proceeds in the Company’s annual report.

The Directors are of the opinion that, after taking into consideration (i) the present banking facilities of the Group; and (ii) present banking facilities and the net proceeds from the issue of the New Shares, the working capital available to the Group is sufficient to meet its present requirements.

Nonetheless, the Directors have decided to undertake the Share Subscription to strengthen the Group’s working capital, and/or to fund the Group’s growth and expansion (as and when the opportunities arise).

### **5. Interests of Directors, Controlling Shareholders and Substantial Shareholders**

None of the Directors, and as far as the Directors are aware, none of the substantial shareholders of the Company, has any interest, direct or indirect, in the Share Subscription, other than in their respective capacities as the Director or substantial shareholder of the Company.

### **6. Documents for Inspection**

Copies of the Agreements are available for inspection at the registered office of the Company at 4 Kaki Bukit Avenue 1 #04-04 Kaki Bukit Industrial Estate Singapore 417939 during normal business hours for a period of three months from the date of this announcement.

### **7. Responsibility Statement**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Share Subscription, the Company, and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where

information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **8. Trading Caution**

Shareholders and potential investors should exercise caution when trading in Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

BY ORDER OF THE BOARD

Lim Say Chin  
Executive Chairman and Managing Director  
24 January 2018

*This announcement has been prepared by ACROMEC and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").*

*The Sponsor has not independently 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 correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Alicia Sun (Telephone: +65 6532 3829) at 1 Robinson Road #21-02 AIA Tower, Singapore 048542.*