



**ACROMETA GROUP LIMITED**  
(Company Registration No.: 201544003M)  
(Incorporated in the Republic of Singapore)  
(the “Company”)

**PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ACROMECE ENGINEERS PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, TO AN INTERESTED PERSON**

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**1. INTRODUCTION**

**1.1. Background of the Proposed Disposal**

1.1.1. The board of directors (each, a “**Director**” and collectively, the “**Board**”) of Acrometa Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that on 5 March 2024, the Company and AESM Holding Pte. Ltd. (the “**Buyer**”) have entered into a sale and purchase agreement (the “**SPA**”) for the sale and purchase of 100% of the issued and paid-up share capital (the “**Sale Shares**”) of Acromec Engineers Pte Ltd (the “**Target**”), a wholly-owned subsidiary of the Company, for an aggregate consideration of S\$3,300,000 (the “**Proposed Disposal**”).

1.1.2. The relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) exceed 50%. Accordingly, the Proposed Disposal is a major transaction in respect of which the approval of the shareholders of the Company (the “**Shareholders**”) is required.

1.1.3. As described in Section 2.1 of this announcement, the Buyer is an interested person (as defined in the Catalist Rules) (“**Interested Person**”) and the Proposed Disposal between the Company and the Buyer is an interested person transaction (as defined in the Catalist Rules) (“**Interested Person Transaction**”). The consideration for the Proposed Disposal represents approximately 577% of the Group’s latest audited net tangible assets (“**NTA**”) for the financial year ended 30 September (“**FY**”) 2023, being S\$571,466. Accordingly, pursuant to Rule 906 of the Catalist Rules, the Proposed Disposal is an Interested Person Transaction in respect of which the approval of the Shareholders who are independent for the purposes of the Proposed Disposal as an Interested Person Transaction is required.

**1.2. Circular**

1.2.1. Accordingly, a circular setting out information relating to, *inter alia*, the Proposed Disposal (the “**Circular**”) will be issued to the Shareholders in due course to seek Shareholders’ approval for the same at an extraordinary general meeting (the “**EGM**”) to be convened at a later date.

**2. THE PROPOSED DISPOSAL**

**2.1. Information on the Buyer**

2.1.1. The Buyer is a private company incorporated in Singapore with an issued and paid-up share capital of S\$1,000 comprising 1,000 ordinary shares. The shareholders of the Buyer are as

follows:

| <b>Name</b>     | <b>Shareholding Percentage</b> | <b>Relationship with the Group</b>  |
|-----------------|--------------------------------|---|
| Chew Chee Keong | 80%                            | Shareholder of Ingenieur Holdings Pte. Ltd., a substantial shareholder of the Company |
| Lim Chee Leong  | 10%                            | Assistant General Manager of the Target   |
| Anton Setiawan  | 10%                            | General Manager of the Target   |

2.1.2. Accordingly, the Buyer is an Interested Person for the purposes of the Proposed Disposal.

## **2.2. Information on the Target**

2.2.1. The Target is a private company incorporated in Singapore in 1981 with an issued and paid-up share capital of S\$8,000,000 comprising 8,000,000 ordinary shares, and is a wholly-owned subsidiary of the Company. It provides specialist engineering services in the field of controlled environments. The Target's revenue for FY2023 amounted to S\$66 million and as at the date of this announcement, the Target has 155 employees.

2.2.2. The Target also holds 56% of the issued and paid-up share capital of Acropower Pte. Ltd. ("**Acropower**"), a Singapore incorporated company which provides waste to energy services, which in turn wholly owns 100% of Neo Tiew Power Pte. Ltd. ("**Neo Tiew Power**") and together with the Target and Acropower, the "**Target Group**", a Singapore incorporated company which also provides waste to energy services and which is currently in liquidation.

## **2.3. Principal Terms of the Proposed Disposal**

The principal terms of the Proposed Disposal are set out as follows:

### **2.3.1. Sale and Purchase of the Sale Shares**

Subject to the terms and conditions of the SPA, the Company shall, as legal and beneficial owner, sell the Sale Shares to the Buyer, and the Buyer shall purchase the Sale Shares, free from all encumbrances and together with all rights, dividends, entitlements and advantages attaching thereto as at completion of the Proposed Sale ("**Completion**") and thereafter. No party shall be obliged to complete the sale and purchase of the Sale Shares unless the sale and purchase of all of the Sale Shares are completed simultaneously

### **2.3.2. Consideration**

The aggregate consideration for the Sale Shares (the "**Consideration**") shall be the amount equal to the sum of S\$3,300,000 and shall be paid by the Buyer in the following manner:

- (a) a deposit (the "**Deposit Payment**") of S\$500,000 on the date of the SPA. The Deposit Payment shall be offset against the Consideration at Completion and shall be refunded to the Buyer in the event that the SPA is terminated before Completion provided that

where the SPA is terminated by the Buyer pursuant to its right to terminate under the terms and conditions of the SPA, the Deposit Payment shall be non-refundable and shall be retained by the Company for its own benefit without having to account to the Buyer;

- (b) a further sum (the “**Completion Payment**”) of S\$1,500,000 on the date on which Completion takes place (the “**Completion Date**”); and
- (c) the remaining sum (the “**Final Payment**”) of S\$1,300,000 by no later than 31 December 2024.

The Consideration shall be payable by the Buyer to the Company (or its nominee(s)) by telegraphic transfer in Singapore Dollars to the relevant bank account of the Company or such other bank account as may be notified by the Company to the Buyer or, subject to the mutual agreement of the parties, by way of cheque or cashier’s order issued in favour of the Company (or its nominee(s)).

Pending receipt in full of the Final Payment by the Company and the discharge of the Vendor Corporate Guarantees, the share certificate(s) in the Buyer’s name in respect of the Sale Shares shall be held in escrow by the Company’s Singapore legal advisers. In addition, Mr. Chew Chee Keong, the majority shareholder of the Buyer, has agreed to pledge the 22,000,000 fully paid ordinary shares in the capital of the Company held by him in favour of the Company or its nominee to secure the payment by the Buyer of the Final Payment.

The Consideration was determined pursuant to commercial negotiations between the Directors who are independent for the purposes of the Proposed Disposal as an Interested Person Transaction (the “**Independent Directors**”) and the Buyer in good faith and on a willing-buyer-willing seller and an arm’s length basis, taking into account the following factors:

- (i) notwithstanding the Target’s revenue of S\$62 million for FY2023, the Target’s order book as at 30 September 2023 was only S\$30 million. This is significantly lower than the value of its order book as at 30 September 2022, being S\$51 million, representing a decrease of 42%. Accordingly, the Group expects lower revenue attributable to the Target for FY2024 and correspondingly, lower profits attributable to the Target for FY2024;
- (ii) the net tangible asset value of the Sale Shares as at 30 September 2023 is S\$(0.36) million. Accordingly, the Consideration represents a net gain of S\$4.2 million to the Group. In addition, the novation of the amounts owing by Life Science Incubator Holdings Pte. Ltd. (“**LSI**”) <sup>1</sup> to the Target in favour of the Company, being approximately S\$781,112 (the “**Novated Sum**”), will result in a further gain of S\$0.8 million to the Group; and
- (iii) as at the date of the SPA, the Company was trading at a price to earnings ratio of 2.2 times and based on preliminary forecasts, the Consideration is equivalent to or higher than 4.0 times of the forecasted net profit after tax of the Target for FY2024.

### 2.3.3. Conditions Precedent

The obligations of the Company and the Buyer to proceed to Completion are conditional on

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<sup>1</sup> LSI is a 70% subsidiary of the Group.

the satisfaction (or waiver in writing, as the case may be) of the following matters (the “Conditions”):

- (a) all approvals, waivers or consents as may be required for the sale and purchase of the Sale Shares, to enable the Buyer to be registered as the holder of all of the Sale Shares, and to give effect to the transactions contemplated in the SPA (including without limitation, under all applicable laws and such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Company or any member of the Target Group is a party or by which the Company or any member of the Target Group or any of their respective assets are bound) being obtained and where any waiver, consent or approval is subject to conditions, such conditions being reasonably satisfactory to the Buyer and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers, consents or fulfilment of conditions remaining valid and in full force and effect and not having been withdrawn, revoked or revised;
- (b) without limiting the generality of sub-paragraph (a) above, (i) approval of the shareholders of the Company having been obtained at an extraordinary general meeting of the Company for the consummation of the transactions contemplated by, the SPA as required by applicable laws (including without limitation the provisions of Chapter 9 and Chapter 10 of the Catalist Rules); and (ii) if applicable, consents and approvals of the financiers, landlords, customers and/or suppliers of the Target Group.
- (c) the vendor warranties given by the Company remaining true and accurate in all material respects and not misleading in any material respect, as if repeated on Completion, by reference to the facts and circumstances then existing;
- (d) the purchaser warranties given by the Buyer remaining true and accurate in all material respects and not misleading in any material respect, as if repeated on Completion, by reference to the facts and circumstances then existing;
- (e) there being no material breaches of any covenants, undertakings and agreements required to be performed or caused to be performed by the Company under the SPA on or before the Completion Date;
- (f) there being no material breaches of any covenants, undertakings and agreements required to be performed or caused to be performed by the Buyer under the SPA on or before the Completion Date;
- (g) none of the parties having received notice of any claim, action, injunction, order, directive or notice restraining or prohibiting the entering into or the consummation of the transactions contemplated by the SPA or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;
- (h) no applicable laws having been enacted, amended or proposed which would prohibit, materially restrict or materially delay the implementation of the transactions contemplated in the SPA;
- (i) the amounts owing by LSI to the Target as at the date of the SPA being novated from the Target to the Company;
- (j) the execution of a share charge (in such form as agreed between the parties) to be

executed by the registered holder in favour of the Company or its nominee over 22,000,000 fully paid ordinary shares in the capital of the Company to secure the payment by the Buyer of the Final Payment;

- (k) the execution of an escrow agreement (in such form as agreed between the parties) between the Company, the Buyer and the Company's Singapore legal advisers pursuant to which the share certificate(s) in the Buyer's name in respect of the Sale Shares shall be held in escrow by the Company's Singapore legal advisers and shall be released from escrow and delivered to the Buyer upon (i) receipt in full of the Final Payment by the Company; and (ii) the discharge of the Vendor Corporate Guarantees<sup>2</sup> being effected; and
- (l) the execution of an agreement (in such form as agreed between the parties) between the Company and Mr. Chew Chee Keong pursuant to which (i) the employment of Mr. Chew Chee Keong by the Company shall cease with effect on and from the Completion Date; and (ii) the Company waives any non-solicitation, non-competition or other similar obligations of Mr. Chew Chee Keong in respect of the business of the Target Group.

If any of the Conditions are not satisfied or waived on or before 4 June 2024 (or such other date as the parties may mutually agree in writing), save as expressly otherwise provided in the SPA, any party may, in its sole discretion, by written notice to the other party elect to terminate the SPA.

#### 2.3.4. Pre-Completion Obligations

From the date of the SPA until Completion, except as required or permitted under the SPA or except as requested or permitted by the Buyer (such permission not to be unreasonably withheld, delayed or conditioned), the Company undertakes to procure and ensure that:

- (a) the Company shall not, without the consent of the Buyer, undertake any action to:
  - (i) prejudice the corporate existence of the members of the Target Group (other than Neo Tiew Power); or
  - (ii) change the board of directors of the Target Group (other than Neo Tiew Power); and
- (b) each member of the Target Group (other than Neo Tiew Power) shall not, without the consent of the Buyer:
  - (i) acquire or dispose of, or create, have outstanding or amend any encumbrance over, any material assets, or agree to any of the foregoing, except in the ordinary and usual course of business or pursuant to the SPA;
  - (ii) undertake any capital reduction, bonus issue, stock split or do such other acts in relation to its share capital, create, allot, issue, acquire, repay or redeem any

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<sup>2</sup> "**Vendor Corporate Guarantees**" means all the corporate guarantees provided by the Company in respect of the obligations of the Target Group (other than the corporate guarantee dated 26 May 2020 provided by the Company to Chew's Agriculture Pte Ltd ("**CAPL**") in connection with an agreement dated 17 May 2019 entered into between Acropower and CAPL (which agreement was subsequently novated to Neo Tiew Power in place of Acropower).

shares or other securities, or grant any options or awards over shares or securities or issue any warrants or other forms of instruments or securities (howsoever called) convertible into shares in it or enter into any agreement or undertaking to do the same or do, or agree or permit to, or cause to be done, such acts which will dilute the interest of the Buyer in it or vary the rights attaching to any of the Sale Shares;

- (iii) make, or agree to make, any capital expenditure on any individual item exceeding S\$50,000 or any capital expenditure exceeding S\$100,000 in the aggregate, or incur, or agree to incur, a commitment or commitments involving capital expenditure on any individual item exceeding S\$50,000 or a commitment or commitments involving capital expenditure exceeding S\$100,000 in the aggregate;
- (iv) take any action to change the officers or management of any member of the Target Group (other than Neo Tiew Power); or
- (v) become the legal or beneficial owner or holder of any share nor acquire any interest of any description in, or agree to merge, amalgamate or consolidate with, any other corporation,

provided that nothing in the foregoing shall prevent or otherwise restrict the Company or the members of the Target Group and their respective directors from complying with any fiduciary duties, or statutory or regulatory obligations that any of them are subject to under applicable laws.

### **3. VALUE OF THE SALE SHARES**

- 3.1. As at 30 September 2023, the book value and net tangible asset value of the Sale Shares as recorded in the books of the Target are both S\$(0.36) million. The open market value of the Sale Shares is not available as the shares of the Target are not publicly traded.
- 3.2. The Company has appointed Chay Corporate Advisory Pte. Ltd. to undertake a business valuation to determine the market value of the Target as at 30 September 2023 which will be made available to the independent financial adviser for its consideration when opining on the Proposed Disposal as an Interested Person Transaction.
- 3.3. The excess of the Consideration over the book value of the Sale Shares as recorded in the books of the Target as at 30 September 2023 is S\$4.2 million.
- 3.4. The amount of gain on disposal of the Sale Shares is S\$5.0 million.

### **4. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL**

#### **4.1. Bases and Assumptions**

The following are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company after Completion. The financial effects of the Proposed Disposal on the Company as set out below are based on the Group's latest audited financial statements for FY2023 and the following assumptions:

- (a) the financial effects on the Group's NTA attributable to the Shareholders and the

NTA per ordinary share in the capital of the Company (“Share”) have been computed assuming that Completion took place on 30 September 2023; and

- (b) the financial effects on the Group’s earnings attributable to the Shareholders and the loss per Share have been computed assuming that Completion took place on 1 October 2022.

In addition, the following have been presented based on the transaction value of the Proposed Disposal, being the aggregate of the Consideration and the Novated Sum (the “Transaction Value”).

#### 4.2. Share Capital

As no new Shares will be issued by the Company in connection with the Proposed Disposal, the Proposed Disposal will have no impact on the Company’s issued share capital.

#### 4.3. NTA per Share

|   | Before the Proposed Disposal | After Completion |
|---|------------------------------|------------------|
| NTA <sup>(1)</sup> attributable to the Shareholders (S\$’000) | 571                          | 5,596            |
| Number of Shares (’000)                                       | 277,128                      | 277,128          |
| NTA per Share (cents)   | 0.21                         | 2.02             |

Note:-

- (1) NTA means total assets less the sum of total liabilities, non-controlling interest and intangible assets (net of non-controlling interest).

#### 4.4. Earnings per Share

|   | Before the Proposed Disposal | After Completion |
|---|------------------------------|------------------|
| Loss after taxation and non-controlling interests (S\$’000) | (6,958)                      | (1,933)          |
| Weighted average number of Shares (’000)                    | 232,712                      | 232,712          |
| Loss per Share (cents)                                      | (2.99)                       | (0.83)           |

### 5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures of the Proposed Disposal computed on the bases as set out in Rule 1006

of the Catalist Rules and based on the Group's latest announced financial statements for FY2023 are set out as follows:

|     | <b>Bases Under Rule 1006</b>   | <b>Relative Figure (%)</b> |
|-----|--|----------------------------|
| (a) | The net asset value (" <b>NAV</b> ") of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.   | (11.7) <sup>(1)</sup>      |
| (b) | The net profits / (loss) <sup>(2)</sup> attributable to the assets acquired or disposed of, compared with the Group's net profits.   | 70.5 <sup>(3)</sup>        |
| (c) | Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.  | 46.2 <sup>(4)</sup>        |
| (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.  | N.A.                       |
| (e) | The 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 & gas company, but not to an acquisition of such assets. | N.A.                       |

**Notes:-**

- (1) Based on the NAV of the Sale Shares of S\$(363,122) and the NAV of the Group of S\$3,104,205 for FY2023.
- (2) Means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Based on the net loss attributable to the Sale Shares of S\$8,790,058 and the net loss attributable to the Group for FY2023 of S\$12,467,722.
- (4) Based on the Transaction Value of S\$4,081,112 and the market capitalisation of the Company being S\$8,825,515, which is calculated based on the weighted average price of S\$0.28 per Share on 4 March 2024 (being the market day preceding the date of the SPA) and 315,196,956 Shares in issue as at 4 March 2024 (being the market day preceding the date of the SPA).

Accordingly, the Proposed Disposal is a major transaction pursuant to Chapter 10 of the Catalist Rules.

**6. STATEMENT OF THE AUDIT COMMITTEE**

The audit committee of the Board is obtaining an opinion from an independent financial adviser on the Proposed Disposal before forming its view, which will be announced subsequently.



**7. VALUE OF INTERESTED PERSON TRANSACTIONS**

- 7.1. There were no Interested Person Transactions entered into by the Group with the Buyer for FY2023 (not including transactions below S\$100,000 and transactions previously approved by the Shareholders).
- 7.2. There were no Interested Person Transactions entered into by the Group with any Interested Person for FY2023 (not including transactions below S\$100,000 and transactions previously approved by the Shareholders).

**8. PROFIT GUARANTEE OR PROFIT FORECAST**

No profit guarantee or profit forecast (or any covenant which quantifies the anticipated level of future profits) was granted by the Company under the SPA.

**9. USE OF PROCEEDS**

The net proceeds from the Consideration will be used by the Company for working capital purposes, including but not limited to payment of operating expenses such as professional fees, payroll and overheads.

**10. RATIONALE FOR AND BENEFITS OF THE PROPOSED DISPOSAL**

The Proposed Disposal is being undertaken pursuant to a strategic review of the financial position, operational needs, long-term strategy and direction of the Company, as well as the business prospects of the Target Group.

As announced by the Company on 6 October 2023, LSI has been appointed by HB Universal Pte Ltd, a subsidiary of Mainboard-listed Ho Bee Land Limited, to operate and manage a co-working laboratory centre at Elementum, One-North, a building in the heart of Singapore's biomedical industry district. As the proposed project will triple the size of LSI's co-working laboratory space operations in Singapore, the Group intends to focus its management efforts and resources on the launch of this project, as well as on its strategic partnership with Fenglin Healthcare Industry Development (Group) Co. Ltd. to develop new business opportunities for co-working laboratory space in the People's Republic of China as announced by the Company on 17 November 2023.

In addition, the net tangible asset value of the Target is currently negative due to extraordinary write-offs resulting from the liquidation of Neo Tiew Power. As such, the Target will require fresh capital injection to fulfil its licensing obligations and ongoing working capital requirements. However, due to the relatively weak order book of the Target coupled with an uncertain business climate due to geopolitical tensions and high inflationary overheads, the management of the Company has considered that the management efforts and resources of the Group are better expended in the Group's coworking laboratory management business. While the Group has considered seeking external buyers, it eventually decided to sell the Target to the management of the Target as they better understand the value of the Target and are best placed to manage the continuity of the Target's business as compared to a third party.

**11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

Save as disclosed in Section 2.1 of this announcement, and save for their respective interests

in the Shares, none of the Directors or substantial shareholders or their respective associates have any interest, direct or indirect, in the Proposed Disposal.

**12. SERVICE CONTRACTS**

No service contracts will be entered into in connection with the Proposed Disposal.

**13. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection during normal office hours, on any weekday (public holidays excepted), at the registered office of the Company at 11 Woodlands Terrace, Singapore 738436 from the date of this announcement up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2023; and
- (c) the SPA.

On behalf of the Board

Lim Say Chin  
Executive Chairman and Chief Executive Officer  
Singapore, 5 March 2024