



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

PROPOSED DISPOSAL OF 70% STAKE IN LIFE SCIENCE INCUBATOR HOLDINGS PTE. LTD.

1. INTRODUCTION

1.1. Background of the Transaction

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 21 October 2024, the Company has entered into a sale and purchase agreement (the “**SPA**”) with Altea LSI Asset Management Limited (the “**Buyer**” and together with the Company, the “**Parties**”) for the disposal of all of the shares held by the Company (the “**Sale Shares**”) in Life Science Incubator Holdings Pte. Ltd. (“**LSI**”), representing 70% of the issued and paid-up share capital of LSI, for an aggregate consideration of S\$2,700,000 (the “**Proposed Disposal**”). Upon the completion of the Proposed Disposal (“**Completion**”), LSI will cease to be a subsidiary of the Group.

1.2. Transaction Classification of the Proposed Disposal

The Proposed Disposal is considered a “Major Transaction” of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) as the relative figures in respect of the Proposed Disposal computed on the bases set out in Catalist Rule 1006 exceed 50%. Accordingly, the Proposed Disposal will be made conditional upon approval by the shareholders of the Company (“**Shareholders**”) at a general meeting to be convened in due course. For further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Catalist Rule 1006, please refer to Paragraph 8 of this announcement.

2. INFORMATION ON THE BUYER AND LSI

2.1. The Buyer

The Buyer, a company incorporated in the Cayman Islands, is an entity owned by Hillhouse Investments, a global investment firm. The Buyer is an independent third party.

2.2. LSI

LSI, a 70%-owned subsidiary of the Company, is a private company limited by shares, incorporated in Singapore on 22 August 2023, with an issued and paid-up share capital of S\$50,000, comprising 50,000 ordinary shares. As of the date of this announcement, the Company holds 70% of the issued and paid-up share capital of LSI, with the remaining 30% held by Tako Ventures LLP.

As of the date of this announcement, LSI has four wholly-owned subsidiaries, namely, LSI Elementum Pte. Ltd., Life Science Incubator Pte. Ltd., LSI Shanghai Co., Ltd, and LSI Spring Hill Pty Ltd. LSI, together with its subsidiaries, operates a 6,500-square-foot co-working laboratory space at The German Centre, Singapore, serving SMEs and start-ups. Additionally, it has entered into a lease and management agreement with HB Universal Pte. Ltd., a subsidiary of SGX-ST Mainboard-listed Ho Bee Land Limited, to operate and manage a 21,538-square-foot co-working laboratory space at Elementum, One-North, a building located at the heart of Singapore's biomedical industry district.

For the avoidance of doubt, LSI will be divesting all of its interests and associated liabilities in LSI Shanghai Co., Ltd. prior to Completion.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

3.1. Proposed Disposal of LSI

The Company shall, in accordance with the terms and conditions of the SPA, on Completion, sell to the Buyer the Sale Shares (and not part thereof only), and the Buyer shall purchase the Sale Shares (and not part thereof only) free from all encumbrances and with the benefit of all rights, benefits and entitlements attaching thereto as at the date of Completion (the "**Completion Date**") and thereafter (including the right to any dividends or other distributions declared and payable thereon on or after such date). The Buyer shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

3.2. Consideration

The aggregate consideration for the sale of the Sale Shares to the Buyer (the "**Consideration**") shall be S\$2,700,000, payable in cash.

The Parties have agreed on the Consideration on the basis that:

- (a) subject to Completion, all loans owing by any of LSI, LSI Elementum Pte. Ltd., Life Science Incubator Pte. Ltd. and LSI Spring Hill Pty Ltd (collectively, the "**LSI Group**" or the "**LSI Group Companies**" and each, an "**LSI Group Company**") to the Company, its affiliates and/or its related corporations as at the Completion Date shall be forgiven, and the Company irrevocably waives and shall procure its affiliates and/or its related corporations to waive, their right to claim or demand for the repayment of such loans from the LSI Group on and from the Completion Date. As at the date of the SPA, the loans forgiven amounted to S\$2,157,003;
- (b) the Company shall be responsible for the repayment of all outstanding liabilities, debt and other amounts owing by the LSI Group to its creditors as at the Completion Date;
- (c) the Consideration shall not factor in any adjustment in favour of the Company in respect of any rental deposits paid by the Company on behalf of any LSI Group Company; and
- (d) the Company shall be solely responsible for the payment of all costs, expenses and liabilities in connection with the transfer of all of LSI's interests and associated liabilities in LSI (Shanghai) Co., Ltd. out of LSI,

where the aggregate of such waived loans, outstanding indebtedness, rental deposits and costs, expenses and liabilities referred to above shall be known as the “**Adjustment Amount**”.

In the event that any provision in the foregoing paragraph is not complied with by the Company by the Completion Date, the Buyer shall have the right to deduct the relevant amount from the Consideration. The Consideration shall be deemed to be reduced by the amount of any payments made to the Buyer in accordance with the foregoing.

The Consideration was determined pursuant to commercial negotiations between the Parties at arm's length and on a willing-buyer-willing seller basis, taking into account the following factors:

- (i) the negative net asset value (“**NAV**”) and negative net tangible asset (“**NTA**”) value of LSI;
- (ii) the operating losses attributable to the LSI Group due to the weak tenancy rates; and
- (iii) the Proposed Disposal entails a disposal of the Group's co-working business in Singapore and Australia only.

3.3. Escrow Arrangement

The Buyer shall, within 10 business days from the date of establishment of the escrow account, pay, or procure to be paid, a sum of S\$270,000 (representing 10% of the Consideration) (the “**Escrow Amount**”) to the escrow agent in Singapore Dollars in immediately available funds by bank transfer to the escrow account.

Subject to any deductions permitted under the SPA, on the Completion Date:

- (a) the Buyer shall pay, or procure to be paid, to the Company the amount of S\$2,430,000 (being the amount equal to the Consideration less the Escrow Amount) in cash (the “**Completion Amount**”); and
- (b) the Parties shall jointly direct the escrow agent to release and pay the Escrow Amount to the Buyer.

In the event any deduction against the Consideration is permitted under the SPA (such amount, the “**Permitted Deduction**”), the Buyer shall be entitled to (A) first deduct the Permitted Deduction from the Completion Amount such that the Completion Amount payable by the Buyer to the Company at Completion shall be adjusted accordingly, and (B) if the amount of the Permitted Deduction exceeds the amount of the Completion Amount, deduct the difference from the Escrow Amount such that the Escrow Amount shall be adjusted accordingly and in such case, the Parties shall jointly direct the escrow agent on Completion to release and pay the Permitted Deduction to the Buyer, and the Escrow Amount less the Permitted Deduction to the Company.

3.4. Voting Undertaking

Concurrent with the signing of the SPA, the Company shall deliver and shall procure to be delivered, to the Buyer, in such form and upon such terms reasonably satisfactory to the Buyer, an unconditional and irrevocable undertaking from such Shareholders as are sufficient to constitute the requisite majority necessary under applicable laws and the listing rules of the

SGX-ST to vote, or to procure the voting of, all of their shares in the Company in favour of all resolutions to approve the Proposed Disposal at any general meeting to be convened by the Company for such purpose.

3.5. Locked Box Provisions

The Company represents, warrants and undertakes to the Buyer that:

- (a) during the period commencing on (and including) 30 September 2023 up to (and including) the date of the SPA, no leakage (including but not limited to the declaration and payment of dividends and payments between the LSI Group Companies) (“**Leakage**”) has occurred other than permitted leakage (including but not limited to payments between the LSI Group Companies which have been disclosed to the Buyer and payment of salaries in the ordinary course of business) (“**Permitted Leakage**”); and
- (b) during the period commencing on the date of the SPA up to (and including) the Completion Date, no Leakage will occur other than Permitted Leakage.

Subject to the terms and conditions of the SPA, the Company shall indemnify the Buyer against any leakage caused by a breach of the foregoing undertakings.

3.6. Conditions Precedent

Completion of the sale and purchase of the Sale Shares is conditional upon, *inter alia*, the Buyer having undertaken and completed its due diligence investigations in respect of each LSI Group Company, the approval of the Shareholders having been obtained at a general meeting to be convened in due course, and there not having been at any time from the date of the SPA up to the Completion Date any material adverse change in relation to any of the LSI Group Companies.

If any of the conditions precedent set out in the SPA are not fulfilled or waived on or before 31 December 2024 or such other date as the Parties may mutually agree in writing, the Buyer shall be entitled (in addition to and without prejudice to all other rights or remedies available to it including the right to claim damages) by notice in writing to the Company to terminate the SPA.

3.7. Pre-Completion Obligations

Between the date of the SPA and the Completion Date, the Company undertakes to procure and ensure that, *inter alia*, the business of each LSI Group Company shall be carried on in compliance in all respects with all applicable laws, rules, regulations and orders to which it is subject and as a going concern in the ordinary and usual course as carried on prior to the date of the SPA and in a manner consistent with past practices, save in so far as agreed in writing by the Buyer, each LSI Group Company shall maintain in force all existing licences and permits necessary for the carrying on of the business of each LSI Group Company for the benefit of such LSI Group Company and the Company will not sell, convey or transfer or enter into any agreement for the sale, conveyance or transfer of the Sale Shares or any part thereof and will not create any encumbrance in respect of the Sale Shares.

3.8. Post-Completion Undertakings

The Company undertakes to the Buyer that it shall not, and shall procure that no affiliate of the Company, and no director of the Company or any affiliate of the Company, shall in any relevant capacity during the period commencing on the calendar day immediately following the date of the SPA and ending on the third anniversary of the Completion Date:

- (a) carry on in, or be engaged, concerned or interested in any business or activity which is the same as or similar to the business of LSI and the business carried out by any of the other LSI Group Companies (the “**Prohibited Business**”) or competes with the Prohibited Business in Singapore or Australia (the “**Prohibited Territories**”);
- (b) canvass, solicit or entice away, in competition with the Prohibited Business, the custom of any person who has within two years prior to the date of the SPA been a customer, supplier or partner of any LSI Group Company; and
- (c) induce or seek to induce any person which is an employee of any LSI Group Company to become employed, whether as employee, consultant or otherwise, by such Prohibited Person.

4. **VALUE OF THE SALE SHARES**

Based on the latest consolidated financial statements of LSI for the financial period ending 31 March 2024, the NAV and NTA value of LSI are both approximately S\$(292,299) and the net profit/(loss) (including discontinued operations that have not been disposed and before income tax and non-controlling interests) is approximately S\$(301,582). The open market value of the Sale Shares is not available as the shares of LSI are not publicly traded.

Additionally, in compliance with Catalist Rule 1014(5), the Company has appointed Chay Corporate Advisory Pte. Ltd. in relation to the Proposed Disposal, and the summary valuation report will be made available to the Shareholders in due course.

5. **USE OF PROCEEDS AND GAIN ON PROPOSED DISPOSAL**

The net proceeds from the Proposed Disposal will be used for general working capital purposes to cover the Group’s operating expenses, including employees’ salaries, legal and professional fees, rental and ancillary office expenses (including but not limited to legal and professional fees and other ancillary expenses incurred to date).

The gain on disposal from the Proposed Disposal amounts to approximately S\$211,493, which is computed based on the excess of the Consideration over the net book value of LSI as at 31 March 2024.

6. **RATIONALE FOR THE PROPOSED DISPOSAL**

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

The LSI Group has incurred higher operating losses due to a decline in tenancy rates, which fell below expectations primarily as a result of a highly competitive market and challenging economic conditions. As of 31 March 2024, LSI’s NAV and NTA value stood at approximately

S\$(292,299). LSI will require fresh capital injections to meet ongoing capital requirements and realise future expansion plans in Shanghai, Australia, and other regions. However, efforts to raise funds for the co-working business have been hampered by current geopolitical instability and poor financial performance.

The Company's management has determined that the Group's resources and management efforts would be better directed towards another potential business opportunity in mineral sands trading. To pursue this, the Company has established a wholly-owned entity, AcroMeta Minerals Pte Ltd, following the signing of a non-binding, non-exclusive memorandum of understanding between the Company and PT Swadaya Buana Makmur for the supply of high-grade silica sand from West Kalimantan, Indonesia. The Company is confident in the long-term prospects of AcroMeta Minerals Pte Ltd, given the strong demand for 99.5% purity silica sand, which is used to manufacture precision glass and ceramic instruments, ophthalmic lenses, and LCD screens, among others. This high-grade silica sand is also a key structural component in construction materials such as flooring, mortars, cement, roofing shingles, and asphalt. The Group is currently in negotiations with potential international buyers, with formal offtake agreements expected in due course.

With a stronger cash position, the Group will continue to explore suitable new business opportunities to enhance value.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

7.1. 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 consolidated financial statements for the financial year ending 30 September 2023 ("FY2023") and the following assumptions:

- (a) the financial effects on the Group's NTA per ordinary share in the capital of the Company ("**Share**") have been computed assuming the Proposed Disposal had been effected at the end of FY2023; and
- (b) the financial effects on the Group's earnings/(loss) per Share have been computed assuming the Proposed Disposal had been effected at the beginning of FY2023.

In addition, the following have been presented based on the transaction value of the Proposed Disposal, being the aggregate of the Consideration and the Adjustment Amount (the "**Transaction Value**").

7.2. Share Capital

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

7.3. NTA per Share

	Before the Proposed Disposal	After Completion
NTA (S\$)	(4,403,500)	(4,192,007)
Number of Shares excluding treasury shares	277,127,956	277,127,956
NTA per Share (cents)	(1.59)	(1.51)

7.4. Earnings/(Loss) per Share (“LPS”)

	Before the Proposed Disposal	After Completion
Earnings/(Loss) attributable to equity holders of the Company (S\$)	(6,958,329)	(6,746,836)
Weighted average number of Shares excluding treasury shares	232,712,000	232,712,000
Earnings/(Loss) per Share ⁽¹⁾ (cents)	(2.99)	(2.90)

Note:-

(1) The earnings/(loss) per Share is calculated by dividing the earnings/(loss) for the relevant financial period attributable to equity holders of the Company by the weighted average number of ordinary shares.

8. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures of the Proposed Disposal computed on the bases as set out in Catalist Rule 1006 and based on the Group’s latest announced consolidated financial statements for the half-year ended 31 March 2024 (“1H2024”) are set out as follows:

	Bases Under Rule 1006	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the group’s net asset value. This basis is not applicable to an acquisition of assets.	111.0 ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group’s net profits.	(12.5) ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares.	29.7 ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾

(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 and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable ⁽⁵⁾
-----	--	-------------------------------

Notes:-

- (1) Based on the NAV of the Sale Shares of approximately S\$(292,299) as at 31 March 2024, adjusted with the waiver of amounts of approximately S\$2,157,003 owed by LSI to the Company in accordance with paragraph 3.2(a) of Practice Note 10A of the Catalyst Rules, and the NAV of the Group of approximately S\$1,680,000 as at 31 March 2024.
- (2) Based on the net profit/(loss) of approximately S\$(301,582) of LSI (before income tax and non-controlling interests) as at 31 March 2024, and the net profit of the Group of approximately S\$2,410,000 (before income tax and non-controlling interests) as at 31 March 2024.
- (3) Based on the Consideration of S\$2,700,000 and the market capitalisation of the Company of S\$9,077,672. The market capitalisation of the Company is calculated on the basis of 315,196,956 Shares (excluding treasury shares) and the volume-weighted average price of S\$0.0288 per Share transacted on 18 October 2024, being the last market day on which the Company's Shares were traded preceding the date of the SPA.
- (4) Catalyst Rule 1006(d) is not applicable to the disposal of assets.
- (5) Catalyst Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed on the bases set out in Catalyst Rules 1006(a) exceed 50%, the Proposed Disposal constitutes a "Major Transaction" and will be made conditional upon approval by Shareholders at a general meeting to be convened in due course.

9. 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.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As of the date of this announcement, 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.

11. SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

12. GENERAL MEETING AND CIRCULAR TO SHAREHOLDERS

The Company will convene a general meeting in due course to seek the approval of the Shareholders for the Proposed Disposal and a circular (the "Circular") containing, *inter alia*, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of the general meeting in connection therewith, will be despatched to the Shareholders in due course.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours, on any weekday (public holidays excepted), at the Company's registered office at 6001 Beach Road, #16-03 Golden Mile Tower, Singapore 199589, for a period of three (3) months from the date of this announcement.

14. DIRECTORS' 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 Proposed Disposal, 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.

15. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Disposal as appropriate or when there are further developments.

16. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading the Shares in the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will proceed to Completion.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

Lim Say Chin
Chief Executive Officer
21 October 2024

This announcement has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Jerry Chua (Tel: (65) 6241 6626), at 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906.