

Acma Ltd.

THE PROPOSED DISPOSAL OF 100% EQUITY INTEREST IN ACOT TOOLING (XIAMEN) CO., LTD

The Board of Directors of Acma Ltd (“Acma” of “the Company”) wishes to announce that Global Tech Pte Ltd (“GTPL”), a wholly-own indirect subsidiary of the Company, has on 29 December 2023 entered into a sale and purchase agreement (the “SPA”) with Madam Fong Choy Yoke (Malaysian NRIC-540322-10-5866) of 7 Jalan BRP 3/38 Sunway Rahman Putra, Seksyen U20, 4160 Shah Alam, Selangor, Malaysia (the “Purchaser”) in respect of the sale of 100% the issued and fully paid-up share capital (the “Sale Equity”) of Acot Tooling (Xiamen) Co., Ltd (“ATX”) for a nominal cash consideration of S\$1.00 (“the Transaction”).

1. Particulars of Transaction

ATX is a company incorporated in the People’s Republic of China (“PRC”) with a issued and paid-up share capital of US\$4,600,000 (United States Dollars Four million six hundred thousand).

2. Description of ATX

The principal activity of ATX is the manufacture of moulds. It has a manufacturing facility based in Xiamen, PRC.

3. The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment. In the case of financial assistance, the aggregate value of the financial assistance and any interest payable on the financial assistance.

The sale consideration of S\$1 was arrived at on a “willing buyer, willing seller” basis taking into consideration, amongst other factors: -

- a) the estimated net liabilities of ATX as at the date of the Transaction; and
- b) the down-sized operations of ATX as well as the historical and recent financial performance and foreseeable prospects of ATX.

The Group will not and is not expected to provide any financial assistance to ATX post-completion except for payments of amounts totaling approximately S\$1,247,800 relating to obligations entered into by ATX prior to the Transaction and as set out below:-

- a) payment of compensation and retrenchment benefits to former and existing employees amounting to approximately Rmb 1,222,000 (approximately S\$228,900); and
- b) settlement of amounts owing to unrelated third party creditors amounting to approximately Rmb5,441,000 (approximately S\$1,018,900)

4. Other material conditions

- a) The Transaction is subject to shareholders’ approval if required and is subject to the Company’s ability to complete the transaction within 90 calendar days from the date of the Agreement.
- b) Subject to completion of the Transaction, all economic benefits and costs relating to ATX shall accrue to The Purchaser immediately upon the signing of the SPA.
- c) If shareholders’ approval is not required, the Transaction is deemed to have completed on the date this Agreement and GTPL shall hold the Sale Equity in trust and for the benefit of the Purchaser until the completion of the transfer of the Sale Equity to the Purchaser. There are no other material conditions.

5. Financial information

The net loss on disposal based on the Group's unaudited financial statements for the ½ year ended 30 June 2023, the book value and net tangible assets value of the Sale Equity were as follows:

- (a) Book Value –Net Liabilities
S\$(2,188,000)
- (b) Net Tangible Asset Value- Net Liabilities
S\$(2,188,000)
- (c) Open Market Value
Not applicable as the Sale Equity are not listed shares.
- (d) Valuation of Sale Equity
No valuation has been commissioned.
- (e) Intended use of proceeds
Not applicable as the sale consideration is nominal S\$1.

6. Net Loss before tax attributable to the Sale equity on the Group's unaudited financial statements for the ½ year ended 30 June 2023 was S\$361,000.

The net gain on disposal based on the Book Value of the Sale Equity at 30 June 2023 was S\$2,188,000.

7. The effect of the transaction on the net tangible assets per share of the issuer assuming the transaction had been effected at the end of 31 December 2022:-

NTA per share at 31 December 2022 would have increased from S\$0.12. to S\$0.17.

8. The effect of the transaction on the earnings per share of Acma for the financial year ended 31 December 2022 assuming the transaction had been effected at the beginning of that financial year :-

Earnings per share would have changed from S\$(0.017) to S\$0.035.

9. Rationale

ATX made losses in FY2021, 2022 and the ½ year ended 30 June 2023 of S\$2.5 million, S\$2.0 million and S\$0.4 million respectively. There is no prospect of a turn-around in the foreseeable future and the losses have depleted ATX's entire issued share capital. The Transaction is consistent with the Group's previously stated intention to wind-down its tool manufacturing business.

10. Interests of Directors and Controlling Shareholders

None of the Directors and Controlling shareholders have any interest, direct or indirect, in the Transaction other than through their shareholdings in Acma.

11. Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Transaction and no service contracts in relation thereto, is proposed to be entered into by the Company.

12. Relative Figures

The relative figures for the Transaction computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

<u>Rule 1006</u>	<u>Bases of Calculation</u>	<u>Relative Figure (%)</u>
(a)	Net liabilities of ATX to be disposed of, compared with the Group's net assets	[77%]
(b)	Net losses attributable to ATX compared with the Group's net losses	32%
(c)	Aggregate value of the consideration received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	0%
(d)	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
(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. The 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) Rule 1006(a): Based on the Group's share of net liabilities of ATX of S\$2.188 million and net assets of the Group of S\$2.841million as of 30 June 2023.

(2) Rule 1006(b): Based on the Group's share of net losses generated by ATX of S\$0.361million for the 6 months' period ended 30 June 2023 and net losses of the Group of S\$1.130 million for the same period.

(3) Rule 1006(c): Based on the market capitalization of the Company of S\$1.229 million at 29 December 2023 and the aggregate value of consideration receivable of S\$1.00.

As the relative figures calculated under Rules 1006(a) and 1006(b) of the Listing Manual exceed 20% and/or involve negative figures, the Company will be consulting SGX-ST in accordance with Rule 1007 of the Listing Manual on the treatment of the relative figure and whether shareholders' approval may be required.

BY ORDER OF THE BOARD

Quek Sim Pin

Executive Chairman

30 December 2023