

SALE OF 100% SHAREHOLDINGS IN METAL & PRINTING PACKAGING LTD (“MPPL”)

The Board of Directors (“the Directors”) of Acma Ltd (the “Company”) wish to announce that Xenon Manufacturing Pte Ltd (“Xenon”), a 51%-owned subsidiary company, has entered into an agreement dated 27 December 2021 (the “Agreement”) with Metal Printing & Packaging International Pte. Ltd (“MPP International”) for the sale and purchase of the entire issued share capital (the “Sale Shares”) of MPPL (the “Transaction”).

One of the relative figures computed on the bases set out in the Listing Manual Rule 1006 exceeds 5% but is less than 20%. As other figures are less than 5% and/or not applicable, the transaction is classified as a “disclosable transaction” under Rule 1010 of the Listing Manual.

1) The Transaction

Pursuant to the Agreement, Xenon will sell the Sale Shares to MPP International for Vietnam Dong 500 million or approximately S\$29,686 (the “Sale Consideration”).

2) Description of MPPL

MPPL is a company incorporated in Vietnam. Its principal business is the provision of metal printing and packaging services and its manufacturing facility based in Ho Chi Minh City, Vietnam.

3) Purchaser

The Purchaser, MPP International, is a Singapore-incorporated company, and is wholly-owned by Tran Investment Holdings Limited, a company incorporated in the British Virgin Islands. The Purchaser and its shareholder are not related to the Company, its directors and its controlling shareholders.

4) 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 was arrived at after arm’s length negotiations on a “willing buyer, willing seller” basis taking into consideration, amongst other factors:

- (a) The estimated value of net liabilities of MPPL as at the date of the transaction;
- (b) The recent financial performance of MPPL;
- (c) The foreseeable prospects of MPPL in the near term ; and
- (d) The funding requirements of MPPL.

Except as set out in Paragraph 5 below, the Group will not and is not expected to provide any financial assistance to MPPL post-comp

5) Other material conditions

- a) As at the date of the Agreement, there was an amount of approximately S\$760,772 owing by MPPL to Acot Holdings Pte Ltd (“the Acot Debt”) in respect of a trade debt. Acot is a wholly-owned subsidiary of the Group.

Pursuant to the Agreement, the Acot Debt shall be repayable out of future after-tax profits of MPPL. The amount to be repaid for each year shall commencing from 1 March 2023, be equal to 1/3rd of annual after-tax profits for the previous year, to be determined based on MPPL’s audited accounts.

- b) Xenon and MPP International has agreed that the Transaction will be considered completed effective 28 December 2021. Accordingly, MPPL shall be deemed to have ceased being a subsidiary of the Group from 28 December 2021.

6) Financial Information

The net loss based on the Group’s unaudited financial statements for the half-year ended 30 June 2021, the book value and net tangible asset value of the Sale Shares were as follows:

- a) Book Value
S\$0.08 million
- b) Net Tangible Asset Value
S\$0.08 million
- c) Open Market Value
Not applicable as the Sale Shares are not listed shares.
- d) Valuation of the Sale Shares
No valuation has been commissioned.
- e) Intended use of sale proceeds
The Sale Consideration of approximately S\$29,686 when received, will be used to meet debt obligations of Xenon.

- 7) Net Loss before tax attributable to the Sale Shares based on the Group’s unaudited financial statements for the half-year ended 30 June 2021 was S\$1.50 million.

The net loss on disposal based on the Book Value of the Sale Shares at 30 June 2021 was S\$ 0.05 million.

- 8) 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 2020:-
NTA per share at 31.12.2020 would be unchanged at S\$0.23.

- 9) The effect of the transaction on the earnings per share of the Issuer for the financial year ended 31 December 2020 assuming that the transaction had been effected at the beginning of that financial year:-

Loss per share for FY2020 would have reduce from S\$0.124 to S\$0.106.

10) Rationale

MPPL made after-tax losses in FY2019, FY2020 and half-year ended 30 June 2021 of S\$3.53 million, S\$1.54 million and S\$1.50 million respectively. These losses have depleted MPPL's paid up share capital and reserves. As at the date of the transaction, MPPL had negative shareholders' funds.

The Transaction is therefore in line with the Group's plan to rationalize and streamline its operations by allowing the Group to exit from a loss-making operation. This will enable the Group to improve the use of its capital and cash-flow resources.

11) 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 the Company.

12) Service Contracts

No person is proposed to be 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.

13) 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 asset value of the assets to be disposed of, compared with the Group's net assets (Note 1)	10.3%
(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits	Not Applicable as the Assets disposed of are Loss making
(c)	Aggregate value of the consideration received, compared with the Company's	1.7%

	market capitalization* based on the total number of issued shares excluding treasury shares (Notes 2 and 3)	
(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) Based on the Group's share of net assets of MPPL of S\$0.08 million and S\$0.76 million of Acot Debt and net assets of the Group of S\$8.16 million as of 30 June 2021.
- (2) Based on the market capitalization of the Company of S\$1.8 million as at 27.12.21
- (3) The aggregate value of the consideration received is S\$29,686.

BY ORDER OF THE BOARD

Chou Kong Seng

Chief Financial Officer

28 December 2021