

PROPOSED ACQUISITION OF PROPERTY

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Acesian Partners Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the wholly-owned subsidiary of the Company, Acesian Engineering (M) Sdn. Bhd. (“**AEM**”) had, on 24 May 2024, signed an Offer to Purchase (the “**Offer**”) to acquire an industrial premise (“the **Property**”) located at Senai Industrial Area, Johor, Malaysia (the “**Proposed Acquisition**”) from All Security Technology Sdn. Bhd. (the “**Vendor**”) for an aggregate cash consideration of Ringgit Malaysia (“**RM**”) 8 million (the “**Consideration**”). On the same day, AEM had transferred a sum of RM160,000 (the “**Earnest Deposit**”), which represents 2.0% of the Consideration of RM8 million, to the AEM’s solicitor, Zaid Ibrahim & Co. As at the date of this announcement, the Vendor has not signed the Offer.

The Vendor and its directors and its shareholders are not related to and do not have any connection (including, *inter alia*, financial or business connection) with the Company, its subsidiaries, its directors and substantial shareholders. For avoidance of doubt, the Vendor and its directors and shareholders are not interested persons under Chapter 9 of the Catalist Rules.

2. PROPERTY DETAILS

The Property is a leasehold with a remaining lease period of approximately 21 years and has a land area of approximately 8,094 square meters and built-up area of approximately 5,574 square meters. The Property is currently used for warehouse purpose and leased out with a remaining lease term of less than a year.

3. THE CONSIDERATION AND FINANCING

The Consideration was determined based on arm’s length negotiation between parties, and arrived at on a “willing-buyer and willing-seller” basis, after taking into consideration *inter alia* the location of the Property, the prevailing market conditions and the terms and conditions of the sale as set out in the Offer. No formal valuation has been conducted or commissioned for the purpose of the Proposed Acquisition. However, there will be a valuation performed by the bank’s valuer for the purpose of financing of the purchase of the Property. Pursuant to the Offer, the Earnest Deposit will be refunded in full to AEM in the event the valuation by the bank is below RM8 million.

Under the terms of the Offer, the Consideration shall be payable to the Vendor in the following manner:

- a. 2.0% of the Consideration upon the grant of the Offer, which has been paid by AEM on 24 May 2024;
- b. 8.0% of the Consideration upon signing of the Sale and Purchase Agreement (“**S&P**”) within 30 full working days from the date of acceptance by the Vendor; and
- c. the balance 90.0% of the Consideration within 4 months from the date of signing the S&P or from the date of AEM’s solicitors’ receipt of consent from the State Authority’s Consent (“**SAC**”) (whichever is the later) with an automatic extension period of 1 month.

The Group intends to satisfy the Consideration through a combination of internal resources and/or bank borrowings.

4. SALIENT TERMS OF THE OFFER

The Proposed Acquisition will be conditional upon, *inter alia*, the following:

- a. AEM's solicitors receipt of consent from the SAC;
- b. The Proposed Acquisition is subject to execution of S&P. In default of signing the S&P within the validity date by either party, the defaulting party shall be liable to pay a liquidated damage of 10% of the Consideration.

For avoidance of doubt, (a) the Earnest Deposit will be fully refunded to AEM in the event that the valuation report for the Property by the bank's valuer shows that the market value of the Property is less than RM8 million prior to the execution of the S&P; and (b) the payment of deposit of 10% of the Consideration inclusive of the Earnest Deposit will be fully refunded to AEM in the event that the SAC is rejected for any reason whatsoever.

Vacant possession of the Property shall be delivered to AEM within 5 working days from the date of full settlement of the Consideration to AEM's solicitor or Vendor's solicitor (as the case may be) as stakeholder, failing which the Vendor shall pay to the Purchaser an interest on the full Consideration at the rate of 10% per annum on a daily basis until such time when the Vendor shall have delivered vacant possession.

5. COMPLETION SALIENT TERMS OF THE OFFER

Subject to satisfaction of the conditions precedent in the Offer, including the receipt of SAC, completion of the Proposed Acquisition is expected to take place within 4 months from the date of signing the S&P or from the date of AEM's solicitors' receipt of SAC (whichever is the later) with an automatic extension period of 1 month ("**Completion**").

6. RATIONALE

The Board is of the view that the Proposed Acquisition is in the best interests of the Group and the Company's shareholders for the following reasons:

- a. the Property is intended for AEM's own use as warehouse for the Group's ordinary course of the business and will enable the Group to increase its warehousing space and capability, delivery fulfilment and enable it to participate in a larger project scale;
- b. the Property is located within the same vicinity as the Group's factory in Senai and should facilitate logistical and administrative synergies.
- c. Warehouse that of suitable location, layout and size in Senai area is limited.

7. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures of the Proposed Acquisition computed on the bases set out under Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**") is as follows:

| Rule 1006 | Bases | Relative figures (%) |
|-----------|--|-------------------------------|
| (a) | Net asset value of the assets to be disposed of, compared with the Group's net asset value | Not applicable |
| (b) | Net profits attributable to the assets acquired, compared with the Group's net profits | Not applicable ⁽¹⁾ |

| | | |
|-----|--|--------------------|
| (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 | 9.8 ⁽²⁾ |
| (d) | Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue | Not applicable |
| (e) | 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 | Not applicable |

Notes:

(1) Not applicable as the Property is not a revenue-generating asset and is intended for AEM's own use.

(2) Based on the Consideration of S\$2.27 million (RM8 million) and the market capitalisation of the Company of approximately S\$23.16 million, which was determined by multiplying the issued share capital of the Company of 472,651,776 shares by the volume-weighted average price of such shares transacted on 23 May 2024 (being the last market day on which the shares were traded prior to the date of the Offer) of S\$0.049 per share.

Based on the relative figures computed above is more than 5% but is not more than 75%, the Proposed Acquisition constitutes a discloseable transaction under Chapter 10 of the Catalyst Rules and approval from shareholders of the Company will not be required.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition set out below are for illustrative purposes only and do not reflect the actual future financial performance or position of the Group after Completion. The financial effects of the Proposed Acquisition have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 ("FY2023").

Net tangible assets ("NTA") per share

Assuming that the Proposed Acquisition had been completed on 31 December 2023, the effects of the Proposed Acquisition on the Group's NTA per share as at 31 December 2023 would be as follows:

| | Before the Proposed Acquisition | After the Proposed Acquisition |
|--|---------------------------------|--------------------------------|
| NTA (S\$'000) | 22,364 | 22,364 |
| Number of shares ('000) (number of shares as at 31 December 2023) | 476,846 | 476,846 |
| NTA per share (cents) | 4.69 | 4.69 |

Earnings per share ("EPS")

Assuming that the Proposed Acquisition had been completed on 1 January 2023, the effects of the Proposed Acquisition on the Group's EPS for FY2023 would be as follows:

| | Before the Proposed Acquisition | After the Proposed Acquisition |
|--|---------------------------------|--------------------------------|
| Profit attributable to owners of the Group (S\$'000) | 7,456 | 7,339 ⁽¹⁾ |

| | | |
|--|---------|---------|
| Weighted average number of shares ('000) | 480,316 | 480,316 |
| EPS (cents) | 1.55 | 1.53 |

(1) this takes into consideration legal fees, stamp duties and depreciation

9. SERVICE CONTRACT

No person is proposed to be appointed to the Board in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Acquisition, save through their respective shareholdings in the Company (if any).

11. 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 Acquisition, 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.

12. DOCUMENT FOR INSPECTION

A copy of the Offer is available for inspection during normal business hours at the registered office of the Company at 33 Mactaggart Road, #04-00, Singapore 368082 for a period of three (3) months from the date of this announcement.

13. FURTHER ANNOUNCEMENTS

The Company will make further announcements to keep shareholders informed, as and when there are further material updates and developments in respect of the Proposed Acquisition.

14. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that completion of the Proposed Acquisition is subject to fulfilment of various conditions as set out in the Offer and there is no certainty or assurance that the Proposed Acquisition will be completed. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Loh Yih
Managing Director
26 May 2024

*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes 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 Mr. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271