

**ACESIAN PARTNERS LIMITED**  
(Company Registration Number: 199505699D)  
(Incorporated in the Republic of Singapore)

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**SALES AND PURCHASE AGREEMENT IN RELATION TO THE DISPOSAL OF THE COMPANY'S WHOLLY-OWNED SUBSIDIARY, ACESIAN SUN PTE. LTD.**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (the **%Board+**) of Acesian Partners Limited (the **%Company+** and together with its subsidiaries, the **%Group+**) refers to the announcement made by the Company on 7 February 2019 in relation to the non-binding memorandum of understanding relating to the disposal of the Company's wholly-owned subsidiary, Acesian Sun Pte. Ltd (**%ASUN+**) (the **%Proposed Disposal+**).
- 1.2 The Board wishes to announce that it has on 11 March 2019 entered into a sale and purchase agreement (**%Agreement+**) with Metro Transit Solutions Pte. Ltd. (**%MTS+**) in respect of the disposal of the entire interest of the Company in ASUN to MTS.
- 1.3 Upon the completion of the Proposed Disposal, the Company will cease to have any interest in ASUN and ASUN will cease to be a subsidiary of the Company.

**2. INFORMATION ON ASUN AND MTS**

ASUN, a wholly-owned subsidiary of the Company, is a private limited company incorporated in Singapore on 3 October 2016 and has an issued and paid-up capital of SGD50,000 comprising 50,000 ordinary shares. It specialises in maintenance and repair services for Air Conditioning and Mechanical Ventilation (ACMV) Systems and Electrical Systems. Based on the unaudited financial statements as at 31 December 2018, the net asset value of ASUN is S\$37,998. No valuation was carried out on ASUN in connection with the Proposed Disposal.

MTS is a private limited company incorporated in Singapore. It specializes in providing public transport consultancy delivering technical solutions in the areas of transport infrastructure, safety audit, security system design and review, project management and implementation and supply of railway equipment (sales and leasing).

**3. RATIONALE FOR THE PROPOSED DISPOSAL**

The business of ASUN complemented the services offered by the Group's other subsidiary, Acesian Star Pte. Ltd. (**%ASPL+**). However, ASPL has been placed under judicial management since January 2017. The Group's L6 license, which is required to tender for large-scale government projects, was also lost following ASPL being placed in judicial management. Owing to which, the operating performance of ASUN was affected and ASUN reversed its net profit of S\$0.2 million in the financial year ended 31 December (**%FY+**) 2017 to a net loss of S\$0.4 million in FY2018.

In addition, the Board is of the view that the operating performance of ASUN will continue to deteriorate as the negative news of ASPL being placed under judicial management had caused significant strain on ASUN's ability to obtain financing from its suppliers, renew existing contracts from its customers and secure new contracts.

The Board also notes that the growth prospects of ASUN are limited without a L6 license and the lack of foreign worker quota which is essential should ASUN wish to scale up its business operations and undertake more projects.

In view of the above, the Board is of the view that it will be more prudent for the Company to divest its stake in ASUN, focus its resources on its core business and incur lower admin support cost, which it hopes will improve the overall financial performance of the Group as well.

#### 4. SALIENT TERMS OF THE AGREEMENT

##### 4.1 Consideration

4.1.1 The aggregate consideration for the Proposed Disposal is S\$321,000 (the ~~%Consideration+~~), which is subject to adjustment as set out in paragraph 4.1.2(b) below. The Consideration was arrived at on a willing buyer-willing seller basis, taking into consideration the net liability and loss-making position of ASUN.

4.1.2 The Consideration will be paid in cash in the following manner:

- (a) On the completion date, the sum of S\$90,000 will be paid by MTS to the Company; and
- (b) The balance Consideration of S\$231,000 will be paid by MTS to the Company in 12 equal monthly instalments. For the 5<sup>th</sup> to 12<sup>th</sup> instalments, if a specified maintenance services contract is terminated within 1 year from the date of the Agreement, the Company will waive the instalments that are unpaid as at the time of such termination, unless such termination is due to the ASUN and/or MTS's fault.

##### 4.2 Conditions Precedent

The Proposed Disposal is subject to the fulfilment of the following conditions, which include:

4.2.1 all approvals and consents as may be necessary from any third party, governmental or regulatory body or relevant competent authority being granted or obtained, and being in full force and effect and not having been withdrawn, suspended, amended or revoked, and if such consents or approvals are granted or obtained subject to any conditions, such conditions being reasonably acceptable to the parties, in particular and without limitation:

4.2.2 the approval of the Board of Directors of ASUN for:

- (a) all the transactions contemplated herein;
- (b) appointment of director(s) as nominated by MTS with effect from the completion date; and
- (c) acceptance of the resignations of the directors of ASUN with effect from the completion date.

4.2.3 revoking all existing instructions and authorities to the bankers of ASUN and replacing them with new instructions and authorities as MTS requires, with effect from the completion date.

##### 4.3 Waiver of intercompany debt

The Company has agreed to waive the intercompany debts owing by ASUN to the Company, up to a maximum of S\$321,958 (~~%Waived Amount+~~).

#### 5. VALUE OF ASUN, GAIN ON DISPOSAL AND USE OF PROCEEDS

5.1 Based on ASUN's unaudited net asset value of S\$37,998 and net losses of S\$351,244 as at 31 December 2018, the Company expects to realise a net gain of S\$277,002 from the Proposed Disposal, after taking into account the Waived Amount.

5.2 The Company expects net proceeds of approximately S\$315,000 from the Proposed Disposal, after deducting estimated fees and expenses incurred in connection with the Proposed Disposal of S\$6,000. The Company intends to use these net proceeds for general working capital requirements of the Company.

## 6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

6.1 The financial effects has been computed based on the unaudited consolidated financial statements of the Company for the financial year ended 31 December 2018 (~~FY2018~~) and the unaudited financial statements of ASUN for FY2018 assuming:

- I) The Proposed Disposal is completed on 31 December 2018 for the purpose of computing net tangible assets (~~NTA~~).
- II) The Proposed Disposal has been completed on 1 January 2018 for the purpose of computing earnings per shares (~~EPS~~).

### 6.2 NTA per share

	The Proposed Disposal	
	Before	After
NTA <sup>(1)</sup>	13,283,736	13,566,738
No. of Issued Shares <sup>(2)</sup>	498,498,498	498,498,498
NTA per Share (S\$ cents)	2.7	2.7

#### Notes:

- (1) NTA is computed based on total assets less total liabilities and intangible assets.
- (2) On the assumption that the Disposal had been effected on 31 December 2018. NTA per Share is derived based on the number of Shares in issue of 498,498,498 (excluding treasury shares) as at 31 December 2018.

### 6.3 EPS

	The Proposed Disposal	
	Before	After
Profits attributable to Shareholders	1,327,075	1,610,077
Weighted average no. of Shares	373,285,542	373,285,542
Earnings per Share (S\$ cents)	0.36	0.43

## 7. RELATIVE FIGURES UNDER RULE 1006

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (**SGX-ST**) are set out below:

Rule	Bases of computation	Relative figure computed in accordance with the bases set out in Rule 1006
1006(a)	Net asset value ( <b>NAV</b> ) of assets being disposed of compared with the Group's net asset value.	0.29% <sup>(1)</sup>
1006(b)	Net losses <sup>(2)</sup> attributable to the assets acquired, compared with the Group's net profits.	(26.47%) <sup>(3)</sup>
1006(c)	The aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	4.02% <sup>(4)</sup>
1006(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.	Not applicable.
1006(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.	Not applicable.

### Notes:

- (1) Based on the aggregate net asset value of ASUN as at 31 December 2018 of S\$37,998 divided by the Group's NAV as at 31 December 2018 of S\$13,283,736.
- (2) Net losses/profits refer to loss/profit before income tax, minority interests and exceptional items.
- (3) Based on the aggregate unaudited net losses attributable to ASUN for the financial year ended 31 December 2018 of S\$351,244, divided by the Group's unaudited net profits for the financial year ended 31 December 2018 of S\$1,327,075.
- (4) Based on the aggregate Consideration of S\$321,000 and the market capitalisation of the Company of approximately S\$7,975,976 as at 1 March 2019 (based on 498,498,498 issued ordinary shares in the Company and the volume weighted average price of S\$0.016 per share of the Company on such date), being the last market day on which shares of the Company were traded on the Singapore Exchange Securities Trading Limited (**SGX-ST**) prior to the date of signing of the Agreement.

As the relative figure under Rule 1006(b) is a negative figure, the Company is consulting the SGX-ST, through its Sponsor, on the applicability of Chapter 10 of the Catalist Rules for the Proposed Disposal, pursuant to Rule 1007(1) of the Catalist Rules. The Company will make further announcements to update Shareholders accordingly.

## **8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDER**

None of the Directors and controlling shareholder of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective directorships and shareholdings, if any, in the Company.

## **9. NO SERVICE CONTRACT**

There are no directors proposed to be appointed to the Company in connection with the Proposed Disposal.

## **10. 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, and the Group, 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.

## **11. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Agreement will be made available for inspection during normal business hours of the Company for a period of three months from the date of this announcement at 33 Mactaggart Road #04-00 Singapore 368082.

## **12. CAUTIONARY STATEMENT**

Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of various conditions and should exercise caution in trading the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Disposal, the Agreement and other matters contemplated by this announcement.

## **BY ORDER OF THE BOARD**

Wong Kok Chye  
Group Chief Operating Officer  
11 March 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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.*

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