

CIRCULAR DATED 6 MAY 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your broker, bank manager, accountant or other professional adviser immediately.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred all your shares in the capital of AcroMeta Group Limited (the "**Company**") held through CDP, you need not forward this Circular with the Notice of EGM and the enclosed Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the enclosed Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of EGM and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

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

The contact person for the Sponsor is Mr Chua Hiang Hwee Jerry, Evolve Capital Advisory Private Limited, at 138 Robinson Road, #13-02 Oxley Tower, Singapore 068906, jerrychua@evolvecapitalasia.com, 6241 6626.

ACROMETA

GROUP

ACROMETA GROUP LIMITED

(Company Registration No.: 201544003M)
(Incorporated in the Republic of Singapore)
(the "**Company**")

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ACROMECE ENGINEERS PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, TO AN INTERESTED PERSON

*Independent Financial Adviser in respect of the Proposed Disposal
as an Interested Person Transaction*



W CAPITAL
M A R K E T S

W Capital Markets Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201813207E)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 18 May 2024 at 10.00 a.m.
Date and time of Extraordinary General Meeting : 21 May 2024 at 10.00 a.m.
Place of Extraordinary General Meeting : The EGM will be held at NUSS Mandalay Guild House, Adam Bukit and Orchard Suite at 2 Mandalay Road, Singapore 308206

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DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires or is otherwise stated, the following definitions shall apply throughout:

- “Acropower”** : Acropower Pte. Ltd., a 56% owned Singapore-incorporated subsidiary of the Target which provides waste to energy services.
- “associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Board”** : The board of Directors of the Company for the time being.
- “Buyer”** : AESM Holding Pte. Ltd..
- “CAPL”** : Chew’s Agriculture Pte Ltd.
- “Catalist Rules”** : The Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist.
- “CDP”** : The Central Depository (Pte) Limited.
- “Companies Act”** : The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time.
- “Company”** : AcroMeta Group Limited.
- “Completion”** : The completion of the Proposed Disposal.
- “Completion Date”** : The date on which Completion takes place.

DEFINITIONS

“Completion Payment”	:	Has the meaning ascribed to it in Section 2.3.2(b) of this Circular.
“Conditions”	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular.
“Consideration”	:	The consideration for the Proposed Disposal, being a cash amount of S\$3,300,000.
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company.
“Deposit Payment”	:	Has the meaning ascribed to it in Section 2.3.2(a) of this Circular.
“Director”	:	A director of the Company for the time being.
“EGM”	:	The extraordinary general meeting of the Company to be held at NUSS Mandalay Guild House, Adam Bukit and Orchard Suite at 2 Mandalay Road, Singapore 308206 on 21 May 2024 at 10.00 a.m., the notice of which is set out on Page N-1 to N-3 of this Circular.
“EPS”	:	Earnings per Share.
“Final Payment”	:	Has the meaning ascribed to it in Section 2.3.2(c) of this Circular.
“FY”	:	Financial year ended or, as the case may be, ending 30 September.
“Group”	:	The Company and its subsidiaries.
“IFA”	:	W Capital Markets Pte. Ltd., the independent financial adviser appointed by the Company pursuant to Rule 921(4)(a) of the Catalist Rules in respect of the Proposed Disposal.
“IFA Letter”	:	The letter dated 6 May 2024 from the IFA addressed to the Independent Directors in respect of the Proposed Disposal, as set out in Appendix A to this Circular.

DEFINITIONS

“Independent Directors”	:	The Directors who are independent for the purposes of the Proposed Disposal as an Interested Person Transaction.
“Ingenieur Holdings”	:	Ingenieur Holdings Pte. Ltd., a Controlling Shareholder of the Company.
“Interested Person”	:	In the case of a company, means: (a) a director, chief executive officer, or controlling shareholder of the issuer; or (b) an associate of any such director, chief executive officer, or controlling shareholder. The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into: (i) a transaction with an entity at risk; and (ii) an agreement or arrangement with an interested person in connection with that transaction.
“Interested Person Transactions”	:	A transaction between an entity at risk and an Interested Person.
“Latest Practicable Date”	:	28 April 2024, being the latest practicable date prior to the date of this Circular.
“LSI”	:	Life Science Incubator Holdings Pte. Ltd., a 70% owned subsidiary of the Group.
“NAV”	:	Net asset value.
“Neo Tiew Power”	:	Neo Tiew Power Pte. Ltd., a 100% owned Singapore-incorporated subsidiary of Acropower which provides waste to energy services and which is currently in liquidation.
“Notice of EGM”	:	The Notice of EGM dated 6 May 2024.
“Novated Sum”	:	Has the meaning ascribed to it in Section 2.3.2(ii) of this Circular.
“NTA”	:	Net tangible assets.
“Proposed Disposal”	:	The proposed sale of the Sale Shares by the Company to the Buyer on the terms and subject to the conditions set out in the SPA.
“Sale Shares”	:	100% of the issued and paid-up share capital of the Target;

DEFINITIONS

“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities subaccount maintained with a Depository Agent.
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shareholders” or “Members”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares.
“Shares”	:	Ordinary shares in the paid-up share capital of the Company.
“SPA”	:	The sale and purchase agreement dated 5 March 2024 entered into between the Company and the Buyer for the sale and purchase of the Sale Shares;
“Substantial Shareholder”	:	A person who has an interest in not less than five per cent (5%) of the issued voting shares of the Company, as defined under Section 81 of the Companies Act
“Summary Valuation Report”	:	The summary valuation report dated 10 April 2024 prepared by Chay Corporate Advisory Pte. Ltd. in connection with its determination of the market value of the Target as at 30 September 2023, as set out in Appendix B to this Circular.
“Target”	:	Acromec Engineers Pte Ltd, a wholly-owned subsidiary of the Company.
“Target Group”	:	The Target, Acropower and Neo Tiew Power collectively.
“Transaction Value”	:	The aggregate of the Consideration and the Novated Sum.
“Valuation Report”	:	The valuation report dated 10 April 2024 prepared by Chay Corporate Advisory Pte. Ltd. in connection with its determination of the market value of the Target as at 30 September 2023.

DEFINITIONS

“Vendor Corporate Guarantees”	:	All the corporate guarantees provided by the Company in respect of the obligations of the Target Group (other than the corporate guarantee dated 26 May 2020 provided by the Company to CAPL in connection with an agreement dated 17 May 2019 entered into between Acropower and CAPL (which agreement was subsequently novated to Neo Tiew Power in place of Acropower).
“%” or “per cent”	:	Per centum or percentage.
“S\$” or “cents”	:	Singapore dollars and cents respectively.

The terms **“Depositor”**, **“Depository”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term **“subsidiary”** shall have the meaning ascribed to it in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the sum of listed amounts and the totals thereof shown are due to rounding.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Catalist Rules or such statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Morgan Lewis Stamford LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular. No other legal advisors were previously engaged by the Company in relation to this Circular.

LETTER TO SHAREHOLDERS

ACROMETA GROUP LIMITED

(Company Registration No.: 201544003M)
(Incorporated in the Republic of Singapore)

Directors:

Mr. Lim Say Chin (Executive Chairman and Chief Executive Officer)
Mr. Cheong Keng Chuan, Alfred (Lead Independent Director)
Mr. Mahtani Bhagwandas (Independent Director)
Mr. Chan Tze Choong Eric (Independent Director)

Registered Office

11 Woodlands Terrace
Singapore 738436

6 May 2024

To: The Shareholders of AcroMeta Group Limited

Dear Sir/Madam,

THE PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ACROMECH ENGINEERS PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, TO AN INTERESTED PERSON

1. INTRODUCTION

- 1.1. The Board refers to the Company's previous announcements dated 26 January 2024, 29 January 2024 and 5 March 2024 in relation to the Company's entry into a sale and purchase agreement (the "**SPA**") with AESM Holding Pte. Ltd. (the "**Buyer**") for the sale and purchase of 100% of the issued and paid-up share capital (the "**Sale Shares**") of Acromech Engineers Pte Ltd (the "**Target**"), a wholly-owned subsidiary of the Company, for an aggregate consideration of S\$3,300,000 (the "**Proposed Disposal**").
- 1.2. The relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules exceed 50%. Accordingly, the Proposed Disposal is a major transaction in respect of which the approval of the Shareholders is required.
- 1.3. As described in Sections 2.1 and 6.1 of this Circular, the Buyer is an Interested Person and the Proposed Disposal between the Company and the Buyer is an Interested Person Transaction. The Consideration for the Proposed Disposal represents approximately 577% of the Group's latest audited NTA for FY2023, being S\$571,466. Accordingly, pursuant to Rule 906 of the Catalist Rules, the Proposed Disposal is an Interested Person Transaction in respect of which the approval of the Shareholders who are independent for the purposes of the Proposed Disposal as an Interested Person Transaction is required.
- 1.4. The Directors are convening the EGM to seek the approval of independent Shareholders for the Proposed Disposal. The purpose of this Circular is to provide the Shareholders with information relating to the Proposed Disposal, and to seek the Shareholders' approval for the ordinary resolution in relation thereto at the EGM.
- 1.5. The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular. The Sponsor has reviewed this Circular in accordance with Rules 226(2)(b) and 753(2) of the Catalist Rules.

LETTER TO SHAREHOLDERS

2. THE PROPOSED DISPOSAL

2.1. Information on the Buyer

The Buyer is a private company incorporated in Singapore with an issued and paid-up share capital of S\$1,000 comprising 1,000 ordinary shares. As at the Latest Practicable Date, the shareholders of the Buyer are as follows:

Name	Shareholding Percentage	Relationship with the Group
Chew Chee Keong	80%	Shareholder of Ingenieur Holdings, a Controlling Shareholder of the Company
Lim Chee Leong	10%	Assistant General Manager of the Target
Anton Setiawan	10%	General Manager of the Target

Accordingly, the Buyer is an Interested Person for the purposes of the Proposed Disposal.

2.2. Information on the Target

2.2.1. The Target is a private company incorporated in Singapore in 1981 with an issued and paid-up share capital of S\$8,000,000 comprising 8,000,000 ordinary shares, and is a wholly-owned subsidiary of the Company. It provides specialist engineering services in the field of controlled environments. The Target's revenue for FY2023 amounted to S\$66 million and as at the Latest Practicable Date, the Target has 148 employees.

2.2.2. The Target also holds 56% of the issued and paid-up share capital of Acropower, a Singapore incorporated company which provides waste to energy services, which in turn wholly owns 100% of Neo Tiew, a Singapore incorporated company which also provides waste to energy services and which is currently in liquidation.

2.3. Principal Terms of the Proposed Disposal

The principal terms of the Proposed Disposal are set out as follows:

2.3.1. Sale and Purchase of the Sale Shares

Subject to the terms and conditions of the SPA, the Company shall, as legal and beneficial owner, sell the Sale Shares to the Buyer, and the Buyer shall purchase the Sale Shares, free from all encumbrances and together with all rights, dividends, entitlements and advantages attaching thereto as at Completion and thereafter. No party shall be obliged to complete the sale and purchase of the Sale Shares unless the sale and purchase of all of the Sale Shares are completed simultaneously.

LETTER TO SHAREHOLDERS

2.3.2. Consideration

The Consideration for the Proposed Disposal shall be the amount equal to the sum of S\$3,300,000 and shall be paid by the Buyer in the following manner:

- (a) a deposit (the “**Deposit Payment**”) of S\$500,000 on the date of the SPA. The Deposit Payment shall be offset against the Consideration at Completion and shall be refunded to the Buyer in the event that the SPA is terminated before Completion provided that where the SPA is terminated by the Buyer pursuant to its right to terminate under the terms and conditions of the SPA, the Deposit Payment shall be non-refundable and shall be retained by the Company for its own benefit without having to account to the Buyer;
- (b) a further sum (the “**Completion Payment**”) of S\$1,500,000 on the date on which Completion takes place (the “**Completion Date**”); and
- (c) the remaining sum (the “**Final Payment**”) of S\$1,300,000 by no later than 31 December 2024.

The Consideration shall be payable by the Buyer to the Company (or its nominee(s)) by telegraphic transfer in Singapore Dollars to the relevant bank account of the Company or such other bank account as may be notified by the Company to the Buyer or, subject to the mutual agreement of the parties, by way of cheque or cashier’s order issued in favour of the Company (or its nominee(s)).

Pending receipt in full of the Final Payment by the Company and the discharge of the Vendor Corporate Guarantees, the share certificate(s) in the Buyer’s name in respect of the Sale Shares shall be held in escrow by the Company’s Singapore legal advisers. In addition, Mr. Chew Chee Keong, the majority shareholder of the Buyer, has agreed to pledge the 22,000,000 fully paid ordinary shares in the capital of the Company held by him in favour of the Company or its nominee to secure the payment by the Buyer of the Final Payment.

The Consideration was determined pursuant to commercial negotiations between the Independent Directors and the Buyer in good faith and on a willing-buyer-willing seller and an arm’s length basis, taking into account the following factors:

- (i) notwithstanding the Target’s revenue of S\$62 million for FY2023, the Target’s order book as at 30 September 2023 was only S\$30 million. This is significantly lower than the value of its order book as at 30 September 2022, being S\$51 million, representing a decrease of 41%. Accordingly, the Group expects lower revenue attributable to the Target for FY2024 and correspondingly, lower profits attributable to the Target for FY2024;
- (ii) the net tangible asset value of the Sale Shares as at 30 September 2023 is S\$(0.36) million. Accordingly, the Consideration represents a net gain of S\$4.2 million to the Group. In addition, the novation of the amounts owing by LSI to the Target in favour of the Company, being approximately S\$781,112 (the “**Novated Sum**”), will result in a further gain of S\$0.8 million to the Group; and
- (iii) as at the date of the SPA, the Company was trading at a price to earnings ratio of 2.0 times and based on preliminary forecasts, the Consideration is equivalent to or higher than 4.0 times of the forecasted net profit after tax of the Target for FY2024.

LETTER TO SHAREHOLDERS

2.3.3. Conditions Precedent

The obligations of the Company and the Buyer to proceed to Completion are conditional on the satisfaction (or waiver in writing, as the case may be) of the following matters (the “**Conditions**”):

- (a) all approvals, waivers or consents as may be required for the sale and purchase of the Sale Shares, to enable the Buyer to be registered as the holder of all of the Sale Shares, and to give effect to the transactions contemplated in the SPA (including without limitation, under all applicable laws and such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Company or any member of the Target Group is a party or by which the Company or any member of the Target Group or any of their respective assets are bound) being obtained and where any waiver, consent or approval is subject to conditions, such conditions being reasonably satisfactory to the Buyer and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers, consents or fulfilment of conditions remaining valid and in full force and effect and not having been withdrawn, revoked or revised;
- (b) without limiting the generality of sub-paragraph (a) above, (i) approval of the shareholders of the Company having been obtained at an extraordinary general meeting of the Company for the consummation of the transactions contemplated by, the SPA as required by applicable laws (including without limitation the provisions of Chapter 9 and Chapter 10 of the Catalist Rules); and (ii) if applicable, consents and approvals of the financiers, landlords, customers and/or suppliers of the Target Group.
- (c) the vendor warranties given by the Company remaining true and accurate in all material respects and not misleading in any material respect, as if repeated on Completion, by reference to the facts and circumstances then existing;
- (d) the purchaser warranties given by the Buyer remaining true and accurate in all material respects and not misleading in any material respect, as if repeated on Completion, by reference to the facts and circumstances then existing;
- (e) there being no material breaches of any covenants, undertakings and agreements required to be performed or caused to be performed by the Company under the SPA on or before the Completion Date;
- (f) there being no material breaches of any covenants, undertakings and agreements required to be performed or caused to be performed by the Buyer under the SPA on or before the Completion Date;
- (g) none of the parties having received notice of any claim, action, injunction, order, directive or notice restraining or prohibiting the entering into or the consummation of the transactions contemplated by the SPA or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;
- (h) no applicable laws having been enacted, amended or proposed which would prohibit, materially restrict or materially delay the implementation of the transactions contemplated in the SPA;

LETTER TO SHAREHOLDERS

- (i) the amounts owing by LSI to the Target as at the date of the SPA being novated from the Target to the Company;
- (j) the execution of a share charge (in such form as agreed between the parties) to be executed by the registered holder in favour of the Company or its nominee over 22,000,000 fully paid ordinary shares in the capital of the Company to secure the payment by the Buyer of the Final Payment;
- (k) the execution of an escrow agreement (in such form as agreed between the parties) between the Company, the Buyer and the Company's Singapore legal advisers pursuant to which the share certificate(s) in the Buyer's name in respect of the Sale Shares shall be held in escrow by the Company's Singapore legal advisers and shall be released from escrow and delivered to the Buyer upon (i) receipt in full of the Final Payment by the Company; and (ii) the discharge of the Vendor Corporate Guarantees being effected; and
- (l) the execution of an agreement (in such form as agreed between the parties) between the Company and Mr. Chew Chee Keong pursuant to which (i) the employment of Mr. Chew Chee Keong by the Company shall cease with effect on and from the Completion Date; and (ii) the Company waives any non-solicitation, non-competition or other similar obligations of Mr. Chew Chee Keong in respect of the business of the Target Group.

If any of the Conditions are not satisfied or waived on or before 4 June 2024 (or such other date as the parties may mutually agree in writing), save as expressly otherwise provided in the SPA, any party may, in its sole discretion, by written notice to the other party elect to terminate the SPA.

2.3.4. Pre-Completion Obligations

From the date of the SPA until Completion, except as required or permitted under the SPA or except as requested or permitted by the Buyer (such permission not to be unreasonably withheld, delayed or conditioned), the Company undertakes to procure and ensure that:

- (a) the Company shall not, without the consent of the Buyer, undertake any action to:
 - (i) prejudice the corporate existence of the members of the Target Group (other than Neo Tiew Power); or
 - (ii) change the board of directors of the Target Group (other than Neo Tiew Power); and
- (b) each member of the Target Group (other than Neo Tiew Power) shall not, without the consent of the Buyer:
 - (i) acquire or dispose of, or create, have outstanding or amend any encumbrance over, any material assets, or agree to any of the foregoing, except in the ordinary and usual course of business or pursuant to the SPA;
 - (ii) undertake any capital reduction, bonus issue, stock split or do such other acts in relation to its share capital, create, allot, issue, acquire, repay or redeem any shares or other securities, or grant any options or awards over shares or

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securities or issue any warrants or other forms of instruments or securities (howsoever called) convertible into shares in it or enter into any agreement or undertaking to do the same or do, or agree or permit to, or cause to be done, such acts which will dilute the interest of the Buyer in it or vary the rights attaching to any of the Sale Shares;

- (iii) make, or agree to make, any capital expenditure on any individual item exceeding S\$50,000 or any capital expenditure exceeding S\$100,000 in the aggregate, or incur, or agree to incur, a commitment or commitments involving capital expenditure on any individual item exceeding S\$50,000 or a commitment or commitments involving capital expenditure exceeding S\$100,000 in the aggregate;
- (iv) take any action to change the officers or management of any member of the Target Group (other than Neo Tiew Power); or
- (v) become the legal or beneficial owner or holder of any share nor acquire any interest of any description in, or agree to merge, amalgamate or consolidate with, any other corporation,

provided that nothing in the foregoing shall prevent or otherwise restrict the Company or the members of the Target Group and their respective directors from complying with any fiduciary duties, or statutory or regulatory obligations that any of them are subject to under applicable laws.

3. VALUE OF THE SALE SHARES

- 3.1. As at 30 September 2023, the book value and net tangible asset value of the Sale Shares as recorded in the books of the Target are both S\$(0.36) million. The open market value of the Sale Shares is not available as the shares of the Target are not publicly traded.
- 3.2. The excess of the Consideration over the book value of the Sale Shares as recorded in the books of the Target as at 30 September 2023 is S\$4.2 million. In addition, the novation of the amounts owing by LSI to the Target in favour of the Company will result in a further gain of S\$0.8 million to the Group.
- 3.3. The amount of gain on disposal of the Sale Shares is S\$5.0 million.

4. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

4.1. 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 financial statements for FY2023 and the following assumptions:

- (a) the financial effects on the Group's NTA attributable to the Shareholders and the NTA per Share have been computed assuming that Completion took place on 30 September 2023; and

LETTER TO SHAREHOLDERS

- (b) the financial effects on the Group's earnings attributable to the Shareholders and the loss per Share have been computed assuming that Completion took place on 1 October 2022.

In addition, the following have been presented based on the Transaction Value.

4.2. Share Capital

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

4.3. NTA per Share

	Before the Proposed Disposal	After Completion
NTA ⁽¹⁾ attributable to the Shareholders (S\$'000)	571	5,596
Number of Shares ('000)	277,128	277,128
NTA per Share (cents)	0.21	2.02

Note:-

- (1) NTA means total assets less the sum of total liabilities, non-controlling interest and intangible assets (net of non-controlling interest).

4.4. Earnings per Share

	Before the Proposed Disposal	After Completion
Loss after taxation and non-controlling interests (S\$'000)	(6,958)	(1,933)
Weighted average number of Shares ('000)	232,712	232,712
Loss per Share (cents)	(2.99)	(0.83)

LETTER TO SHAREHOLDERS

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures of the Proposed Disposal computed on the bases as set out in Rule 1006 of the Catalist Rules and based on the Group's latest announced financial statements for FY2023 are set out as follows:

Bases Under Rule 1006		Relative Figure (%)
(a)	The NAV of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.	(11.7) ⁽¹⁾
(b)	The net profits/(loss) ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits.	70.5 ⁽³⁾
(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.	46.2 ⁽⁴⁾
(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.	N.A.
(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 & gas company, but not to an acquisition of such assets.	N.A.

Notes:–

- (1) Based on the NAV of the Sale Shares of S\$(363,122) and the NAV of the Group of S\$3,104,205 for FY2023.
- (2) Means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Based on the net loss attributable to the Sale Shares of S\$8,790,058 and the net loss attributable to the Group for FY2023 of S\$12,467,722.
- (4) Based on the Transaction Value of S\$4,081,112 and the market capitalisation of the Company being S\$8,825,515, which is calculated based on the weighted average price of S\$0.28 per Share on 4 March 2024 (being the market day preceding the date of the SPA) and 315,196,956 Shares in issue as at 4 March 2024 (being the market day preceding the date of the SPA).

Accordingly, the Proposed Disposal is a major transaction pursuant to Chapter 10 of the Catalist Rules.

6. INTERESTED PERSON TRANSACTION

6.1. Interested Person

As disclosed in Section 2.1 of this Circular, the majority shareholder of the Buyer is Mr. Chew Chee Keong, who is also a shareholder of Ingenieur Holdings, a Controlling Shareholder of the Company, and a director of the Target. Mr. Chew Chee Keong was also a director of the Company until 30 January 2024. Accordingly, the Buyer is an Interested Person and the Proposed Disposal is an Interested Person Transaction.

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6.2. Materiality Threshold

Based on the Group's latest audited consolidated financial statements for FY2023, the NTA of the Group as at 30 September 2023 was \$571,466. The Consideration for the Proposed Disposal represents approximately 577% of the Group's latest audited NTA for FY2023. Accordingly, pursuant to Rule 906 of the Catalist Rules, the Proposed Disposal is an Interested Person Transaction in respect of which the approval of the Shareholders who are independent for the purposes of the Proposed Disposal as an Interested Person Transaction is required.

6.3. Value of Interested Person Transactions

6.3.1. There were no Interested Person Transactions entered into by the Group with the Buyer for FY2023 (not including transactions below S\$100,000 and transactions previously approved by the Shareholders).

6.3.2. There were no Interested Person Transactions entered into by the Group with any Interested Person for FY2023 (not including transactions below S\$100,000 and transactions previously approved by the Shareholders).

6.4. Advice of the Independent Financial Adviser on the Proposed Disposal

6.4.1. W Capital Markets Pte. Ltd. has been appointed as the IFA pursuant to Rule 921(4)(a) of the Catalist Rules in respect of the Proposed Disposal. Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date and subject to the qualifications and assumptions set out in the IFA Letter, the IFA is of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. The IFA Letter, containing the IFA's advice in full, is set out in **Appendix A** to this Circular. Shareholders are advised to read the IFA Letter carefully and in its entirety.

In arriving at its opinion on whether the Proposed Disposal is on normal commercial terms and whether the Proposed Disposal is prejudicial to the interests of the Company and its minority Shareholders, the IFA has given due consideration to, *inter alia*, the following which are described in more detail in section 4 of the IFA Letter:

- (a) the use of proceeds from the Proposed Disposal, as set out in Section 9 of this Circular and the rationale for and benefits of the Proposed Disposal, as set out in Section 10 of this Circular;
- (b) historical financial performance and financial condition of the Target;
- (c) assessment on the basis and justification of the Consideration;
- (d) financial effects of the Proposed Disposal; and
- (e) other relevant considerations in relation to the Proposed Disposal.

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6.5. Statement of the Audit Committee

The members of the audit committee do not have any interests in the Proposed Disposal and are accordingly deemed to be independent for the purposes of the Proposed Disposal. Having considered, *inter alia*, the terms, rationale for and benefits of the Proposed Disposal, as well as the opinion and advice of the IFA on the Proposed Disposal, the audit committee concurs with the opinion of the IFA and is of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders.

7. VALUATION REPORT

The Company has appointed Chay Corporate Advisory Pte. Ltd. to undertake a business valuation to determine the market value of the Target as at 30 September 2023.

The business valuation was carried out in accordance with International Valuation Standards as prescribed by the International Valuation Standards Council. The indicative valuation of the Target has taken into consideration of the values implied by a combination of discounted cash flow (“**DCF**”) and comparable companies analysis.

In valuing the Target, the valuer adopted the DCF approach as the primary valuation methodology for the following reasons:

- (a) the DCF approach reflects the future plans and growth of the Target. This approach is less influenced by volatile external factors because it is an inward-looking process which relies more heavily on the fundamental expectations of the business and explicit estimates of the value drivers;
- (b) the asset-based approach does not take into account of the future changes in sales or income; and
- (c) the scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the business of the Target.

The valuer also considered the EV/EBITDA multiple of comparable companies as a reference cross-check to ensure reasonableness of the derived valuation results from the DCF analysis.

The implied enterprise values based on DCF analysis ranges from S\$2.0 million to S\$4.9 million, with a base value of S\$3.3 million. A cross-check valuation of the comparable companies based on EV/EBITDA multiple derives a similar result ranging from S\$2.9 million to S\$14.0 million. Based on the analysis above, the valuer has assessed the range of implied enterprise values for the Target of between S\$2.9 million and S\$4.9 million, with a base value of S\$3.3 million.

A copy of the summary valuation report dated 10 April 2024 prepared by Chay Corporate Advisory Pte. Ltd. (the “**Summary Valuation Report**”) is set out in **Appendix B** to this Circular. The full valuation report dated 10 April 2024 prepared by Chay Corporate Advisory Pte. Ltd. (the “**Valuation Report**”) will be made available for inspection by Shareholders as stated in Section 17 of this Circular.

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8. 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.

9. USE OF PROCEEDS

The net proceeds from the Consideration will be used by the Company for working capital purposes, including but not limited to payment of operating expenses such as professional fees, payroll and overheads.

10. RATIONALE FOR AND BENEFITS OF THE PROPOSED DISPOSAL

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

As announced by the Company on 6 October 2023, LSI has been appointed by HB Universal Pte Ltd, a subsidiary of Mainboard-listed Ho Bee Land Limited, to operate and manage a co-working laboratory centre at Elementum, One-North, a building in the heart of Singapore's biomedical industry district. As the proposed project will triple the size of LSI's co-working laboratory space operations in Singapore, the Group intends to focus its management efforts and resources on the launch of this project, as well as on its strategic partnership with Fenglin Healthcare Industry Development (Group) Co. Ltd. to develop new business opportunities for co-working laboratory space in the People's Republic of China as announced by the Company on 17 November 2023.

In addition, the net tangible asset value of the Target is currently negative due to extraordinary write-offs resulting from the liquidation of Neo Tiew Power. As such, the Target will require fresh capital injection to fulfil its licensing obligations and ongoing working capital requirements. Further, the order book of the Target as at 30 September 2023 amounted to S\$30 million. This is significantly lower than the S\$51 million as at 30 September 2022 i.e., a decrease of 41%. Accordingly, the revenue and profitability of the Target for FY2024 is expected to be significantly lower.

As such, due to the relatively weak order book of the Target coupled with an uncertain business climate due to geopolitical tensions and high inflationary overheads, the management of the Company has considered that the management efforts and resources of the Group are better expended in the Group's coworking laboratory management business. While the Group has considered seeking external buyers, it eventually decided to sell the Target to the management of the Target as they better understand the value of the Target and are best placed to manage the continuity of the Target's business as compared to a third party.

LETTER TO SHAREHOLDERS

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders kept by the Company, are as follows:

	<u>Direct Interest</u>		<u>Deemed Interest</u>	
	<u>No. of Shares</u>	<u>(%)⁽¹⁾</u>	<u>No. of Shares</u>	<u>(%)⁽¹⁾</u>
<u>Directors</u>				
Lim Say Chin	6,700,000	2.13	–	–
Cheong Keng Chuan, Alfred	600,000	0.19	–	–
Mahtani Bhagwandas	600,000	0.19	–	–
Chan Tze Choong Eric	600,000	0.19	–	–
<u>Substantial Shareholders</u>				
Ingenieur Holdings	66,130,645	20.98	–	–
Chew Chee Keong	1,052,000	0.33	66,130,645 ⁽²⁾	20.98 ⁽²⁾
Goi Chew Leng	3,124,600	0.99	66,130,645 ⁽²⁾	20.98 ⁽²⁾
Levin Lee Keng Weng	67,625,000	21.45	–	–

Notes:–

- (1) Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 315,196,956 Shares.
- (2) Mr. Chew Chee Keong and Mr. Goi Chew Leng are deemed to have an interest in the 66,130,645 Shares held by Ingenieur Holdings by virtue of Section 7 of the Companies Act.

12. SERVICE CONTRACTS

No service contracts will be entered into in connection with the Proposed Disposal.

13. DIRECTORS' RECOMMENDATION

Having fully considered the rationale for the Proposed Disposal set out in this Circular, the Independent Directors believe that the Proposed Disposal is in the best interest of the Company. The Independent Directors recommend that Shareholders vote in favour of the resolution to approve the Proposed Disposal to be proposed at the EGM.

14. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in Pages N-1 to N-3 of this Circular, will be held on 21 May 2024 at 10.00 a.m. at NUSS Mandalay Guild House, Adam Bukit and Orchard Suite at 2 Mandalay Road, Singapore 308206, for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution relating to the Proposed Disposal as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

15. ACTION TO BE TAKEN BY SHAREHOLDERS

15.1. Submission of Proxy Forms

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM. A Proxy Form must be submitted to the Company in the following manner:

- (a) if sent by post, be mailed to 11 Woodlands Terrace, Singapore 738436; or
- (b) if submitted electronically, be submitted via email to shareregistry@incorp.asia;

in either case not less than 72 hours before the time appointed for the EGM.

A Shareholder who wishes to submit a Proxy Form must first download (where necessary), complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In the alternative, a Shareholder may download, complete and authorise the Proxy Form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

15.2. Depositor

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, 72 hours before the time appointed for holding the EGM.

16. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, the Buyer and any of its associates shall not vote on the ordinary resolution relating to the Proposed Disposal, and shall not accept appointments as proxies unless specific instructions as to voting are given.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours, on any weekday (public holidays excepted), at the registered office of the Company at 11 Woodlands Terrace, Singapore 738436 from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2023;
- (c) the SPA; and
- (d) the Valuation Report.

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Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to enquires@acrometa.com to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

18. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Company and its subsidiaries, and the Proposed Disposal, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information 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 these sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

For and on behalf of the Board of
ACROMETA GROUP LIMITED

Lim Say Chin
Executive Chairman and Chief Executive Officer

APPENDIX A – IFA LETTER



W CAPITAL
M A R K E T S

W Capital Markets Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201813207E)
65 Chulia Street, #43-01 OCBC Centre
Singapore 049513

6 May 2024

The Directors of AcroMeta Group Limited (the “**Company**”) who are considered independent in relation to the Proposed Disposal (the “**Recommending Directors**”)

Mr. Lim Say Chin	<i>(Executive Chairman and Chief Executive Officer)</i>
Mr. Cheong Keng Chuan, Alfred	<i>(Lead Independent Director)</i>
Mr. Mahtani Bhagwandas	<i>(Independent Director)</i>
Mr. Chan Tze Choong Eric	<i>(Independent Director)</i>

Dear Sirs,

THE PROPOSED DISPOSAL OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ACROMECH ENGINEERS PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning as defined in the circular to shareholders of the Company dated 6 May 2024 (the “**Circular**”).*

1. INTRODUCTION

On 5 March 2024 (the “**Announcement Date**”), the board of directors of the Company (the “**Directors**” or the “**Board**”) announced that the Company (and together with its subsidiaries, the “**Group**”) and AESM Holding Pte. Ltd. (“**AESM**” or the “**Buyer**”) have entered into a sale and purchase agreement (the “**SPA**”) for the sale and purchase of 100% of the issued and paid-up share capital (the “**Sale Shares**”) of Acromech Engineers Pte. Ltd. (the “**Target**”), a wholly-owned subsidiary of the Company, for an aggregate consideration of S\$3,300,000 (the “**Proposed Disposal**”).

Upon completion of the Proposed Disposal (“**Completion**”), the Target shall cease to be a subsidiary of the Company and the Group will exit from the business of providing specialist engineering services in the field of controlled environments (the “**Engineering Services Business**”).

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The Buyer is a private company incorporated in Singapore and its shareholders are Mr. Chew Chee Keong, Mr. Lim Chee Leong and Mr. Anton Setiawan. Please refer to Paragraph 3.2 of this letter (this “**IFA Letter**”) for further information on the Buyer. Mr. Chew Chee Keong is also a shareholder of Ingenieur Holdings, a Controlling Shareholder of the Company and a director of the Target. Mr. Chew Chee Keong was also a director of the Company until 30 January 2024. Accordingly, the Buyer is an “interested person” as defined in the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”). As the Consideration for the Proposed Disposal represents approximately 577% of the Group’s latest audited NTA for FY2023, the Proposed Disposal constitutes an “interested person transaction” (“**IPT**”) as defined in the Catalist Rules requiring the approval of the Shareholders at the extraordinary general meeting of the Company to be convened (“**EGM**”) under Chapter 9 of the Catalist Rules.

Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company has appointed W Capital Markets Pte. Ltd. (“**W Capital**”) as the independent financial adviser (“**IFA**”) to express an opinion on whether the Proposed Disposal, being an IPT, is on normal commercial terms and whether the Proposed Disposal is prejudicial to the interests of the Company and its minority Shareholders. This IFA Letter sets out, *inter alia*, our evaluation and opinion on the Proposed Disposal and forms part of the Circular issued by the Company to its Shareholders in connection with the Proposed Disposal.

2. TERMS OF REFERENCE

W Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Catalist Rules in respect of the Proposed Disposal as an IPT. We were not involved in or responsible for the discussions in relation to the Proposed Disposal, nor were we involved in the deliberation leading up to the decision on the part of the Directors to enter into the SPA in connection with the Proposed Disposal. Further, we do not warrant the merits of the Proposed Disposal, other than to express an opinion on whether the Proposed Disposal is on normal commercial terms and whether the Proposed Disposal is prejudicial to the interests of the Company and its minority Shareholders, and our terms of reference do not require us to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks (if any) of the Proposed Disposal.

In the course of our evaluation, we have held discussions with the management of the Company (the “**Management**”) and have examined and relied to a considerable extent on publicly available information collated by us, as well as information provided and representations made to us, both written and verbal, by the Directors and/or the Management, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information. In this regard, we noted that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the “Directors’ Responsibility Statement” in Section 18 of the Circular.

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For the purpose of assessing the terms of the Proposed Disposal, we have not conducted a comprehensive review of the business, operations and financial condition of the Group. We have not made any independent appraisal of the assets, liabilities and/or profitability of the Group and we do not express a view on the financial position, future growth prospects and earning potential of the Group after the completion of the Proposed Disposal in accordance with the terms of the SPA. As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and/or profitability of the Group. In this respect, we have been furnished with, *inter alia*, a valuation report dated 10 April 2024 (the “**Valuation Report**”) prepared by Chay Corporate Advisory Pte. Ltd. (the “**Independent Valuer**”) in relation to the independent valuation of the market value of 100% equity interest in the Target as at a valuation date of 30 September 2023. As we are not experts in the evaluation or appraisal of the assets as set out in the Valuation Report, we have placed sole reliance on the appraisal in relation to the market value of the 100% equity interest in the Target as assessed by the Independent Valuer and as set out in the Valuation Report.

Our opinion as set out in this IFA Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as of 28 April 2024 (the “**Latest Practicable Date**”) and the information and representations provided to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to the Proposed Disposal, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion and advice in relation to the Proposed Disposal, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. Accordingly, any individual Shareholder or group of Shareholders who may require specific advice in relation to his/her or their investment portfolio(s) should consult his/her or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter and the Summary Valuation Report). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the Proposed Disposal should be considered in the context of the entirety of this IFA Letter and the Circular.

3. DETAILS OF THE PROPOSED DISPOSAL

3.1 Background and information on the Target

The Target is a private company incorporated in Singapore in 1981 with an issued and paid-up share capital of S\$8,000,000 comprising 8,000,000 shares, and is a wholly-owned subsidiary of the Company. It provides specialist engineering services in the field of controlled environments. The Target’s revenue for FY2023 amounted to S\$66 million and as at the Latest Practicable Date, the Target has 148 employees.

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The Target also holds 56% of the issued and paid-up share capital of Acropower Pte. Ltd. (“**Acropower**”), a Singapore incorporated company which provides waste to energy services, which in turn wholly owns 100% of Neo Tiew Power Pte. Ltd. (“**Neo Tiew Power**” and together with the Target and Acropower, the “**Target Group**”), a Singapore incorporated company which also provides waste to energy services and which is currently undergoing liquidation.

Further information on the Target is set out in Section 2.2 of the Circular. We recommend that Shareholders read those pages of the Circular carefully.

3.2 Information on the Buyer as an Interested Person

The Buyer is a private limited company incorporated in Singapore with an issued and paid-up share capital of S\$1,000 comprising 1,000 ordinary shares.

As at the Latest Practicable Date, the shareholders of the Buyer are as follows:

Name	Shareholding Percentage	Relationship with the Group
Chew Chee Keong	80%	Shareholder of Ingenieur Holdings Pte. Ltd., a Controlling Shareholder of the Company
Lim Chee Leong	10%	Assistant General Manager of the Target
Anton Setiawan	10%	General Manager of the Target

Accordingly, the Buyer is an “interested person” as defined under Chapter 9 of the Catalyst Rules, and the Proposed Disposal constitutes an IPT.

3.3 Principal terms of the Proposed Disposal

The principal terms of the Proposed Disposal can be found in Section 2.3 of the Circular and are set out below. We recommend that Shareholders read those pages of the Circular carefully.

(a) Sale and Purchase of the Sale Shares

Subject to the terms and conditions of the SPA, the Company shall, as legal and beneficial owner, sell the Sale Shares to the Buyer, and the Buyer shall purchase the Sale Shares, free from all encumbrances and together with all rights, dividends, entitlements and advantages attaching thereto as at Completion and thereafter. No party shall be obliged to complete the sale and purchase of the Sale Shares unless the sale and purchase of all of the Sale Shares are completed simultaneously.

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(b) Consideration

The aggregate consideration for the Sale Shares (the “**Consideration**”) shall be the amount equal to the sum of S\$3,300,000 and shall be paid by the Buyer in the following manner:

- (i) a deposit (the “**Deposit Payment**”) of S\$500,000 on the date of the SPA. The Deposit Payment shall be offset against the Consideration at Completion and shall be refunded to the Buyer in the event that the SPA is terminated before Completion provided that where the SPA is terminated by the Buyer pursuant to its right to terminate under the terms and conditions of the SPA, the Deposit Payment shall be non-refundable and shall be retained by the Company for its own benefit without having to account to the Buyer;
- (ii) a further sum (the “**Completion Payment**”) of S\$1,500,000 on the date on which Completion takes place (the “**Completion Date**”); and
- (iii) the remaining sum (the “**Final Payment**”) of S\$1,300,000 by no later than 31 December 2024.

The Consideration shall be payable by the Buyer to the Company (or its nominee(s)) by telegraphic transfer in Singapore Dollars to the relevant bank account of the Company or such other bank account as may be notified by the Company to the Buyer or, subject to the mutual agreement of the parties, by way of cheque or cashier’s order issued in favour of the Company (or its nominee(s)).

Pending receipt in full of the Final Payment by the Company and the discharge of the Vendor Corporate Guarantees¹, the share certificate(s) in the Buyer’s name in respect of the Sale Shares shall be held in escrow by the Company’s Singapore legal advisers. In addition, Mr. Chew Chee Keong, the majority shareholder of the Buyer, has agreed to pledge the 22,000,000 fully paid ordinary shares in the capital of the Company held by him in favour of the Company or its nominee to secure the payment by the Buyer of the Final Payment.

The Consideration was determined pursuant to commercial negotiations between the Directors who are independent for the purposes of the Proposed Disposal as an IPT and the Buyer in good faith and on a willing-buyer-willing seller and an arm’s length basis, taking into account the following factors:

- (i) notwithstanding the Target’s revenue of S\$62 million for FY2023, the Target’s order book as at 30 September 2023 was only S\$30 million. This is significantly lower than the value of its order book as at 30 September 2022, being S\$51 million, representing a decrease of 41%. Accordingly, the Group expects lower revenue attributable to the Target for FY2024 and correspondingly, lower profits attributable to the Target for FY2024;

¹ “**Vendor Corporate Guarantees**” means all the corporate guarantees provided by the Company in respect of the obligations of the Target Group (other than the corporate guarantee dated 26 May 2020 provided by the Company to Chew’s Agriculture Pte Ltd (“**CAPL**”) in connection with an agreement dated 17 May 2019 entered into between Acropower and CAPL (which agreement was subsequently novated to Neo Tiew Power in place of Acropower)).

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- (ii) the net tangible asset value of the Sale Shares as at 30 September 2023 is S\$(0.36) million. Accordingly, the Consideration represents a net gain of S\$4.2 million to the Group. In addition, the novation of the amounts owing by Life Science Incubator Holdings Pte. Ltd. (“**LSI**”) to the Target in favour of the Company, being approximately S\$781,112 (the “**Novated Sum**”), will result in a further gain of S\$0.8 million to the Group; and
- (iii) as at the date of the SPA, the Company was trading at a price to earnings ratio of 2.0 times and based on preliminary forecasts, the Consideration is equivalent to or higher than 4.0 times of the forecasted net profit after tax of the Target for FY2024.

(c) Conditions Precedent

The obligations of the Company and the Buyer to proceed to Completion are conditional on the satisfaction (or waiver in writing, as the case may be) of the following matters (the “**Conditions**”):

- (a) all approvals, waivers or consents as may be required for the sale and purchase of the Sale Shares, to enable the Buyer to be registered as the holder of all of the Sale Shares, and to give effect to the transactions contemplated in the SPA (including without limitation, under all applicable laws and such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Company or any member of the Target Group is a party or by which the Company or any member of the Target Group or any of their respective assets are bound) being obtained and where any waiver, consent or approval is subject to conditions, such conditions being reasonably satisfactory to the Buyer and if required to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers, consents or fulfilment of conditions remaining valid and in full force and effect and not having been withdrawn, revoked or revised;
- (b) without limiting the generality of sub-paragraph (a) above, (i) approval of the shareholders of the Company having been obtained at an extraordinary general meeting of the Company for the consummation of the transactions contemplated by, the SPA as required by applicable laws (including without limitation the provisions of Chapter 9 and Chapter 10 of the Catalist Rules); and (ii) if applicable, consents and approvals of the financiers, landlords, customers and/or suppliers of the Target Group;
- (c) the vendor warranties given by the Company remaining true and accurate in all material respects and not misleading in any material respect, as if repeated on Completion, by reference to the facts and circumstances then existing;
- (d) the purchaser warranties given by the Buyer remaining true and accurate in all material respects and not misleading in any material respect, as if repeated on Completion, by reference to the facts and circumstances then existing;
- (e) there being no material breaches of any covenants, undertakings and agreements required to be performed or caused to be performed by the Company under the SPA on or before the Completion Date;

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- (f) there being no material breaches of any covenants, undertakings and agreements required to be performed or caused to be performed by the Buyer under the SPA on or before the Completion Date;
- (g) none of the parties having received notice of any claim, action, injunction, order, directive or notice restraining or prohibiting the entering into or the consummation of the transactions contemplated by the SPA or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;
- (h) no applicable laws having been enacted, amended or proposed which would prohibit, materially restrict or materially delay the implementation of the transactions contemplated in the SPA;
- (i) the amounts owing by LSI to the Target as at the date of the SPA being novated from the Target to the Company;
- (j) the execution of a share charge (in such form as agreed between the parties) to be executed by the registered holder in favour of the Company or its nominee over 22,000,000 fully paid ordinary shares in the capital of the Company to secure the payment by the Buyer of the Final Payment;
- (k) the execution of an escrow agreement (in such form as agreed between the parties) between the Company, the Buyer and the Company's Singapore legal advisers pursuant to which the share certificate(s) in the Buyer's name in respect of the Sale Shares shall be held in escrow by the Company's Singapore legal advisers and shall be released from escrow and delivered to the Buyer upon (i) receipt in full of the Final Payment by the Company; and (ii) the discharge of the Vendor Corporate Guarantees being effected; and
- (l) the execution of an agreement (in such form as agreed between the parties) between the Company and Mr. Chew Chee Keong pursuant to which (i) the employment of Mr. Chew Chee Keong by the Company shall cease with effect on and from the Completion Date; and (ii) the Company waives any non-solicitation, non-competition or other similar obligations of Mr. Chew Chee Keong in respect of the business of the Target Group.

If any of the Conditions are not satisfied or waived on or before 4 June 2024 (or such other date as the parties may mutually agree in writing), save as expressly otherwise provided in the SPA, any party may, in its sole discretion, by written notice to the other party elect to terminate the SPA.

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(d) Pre-Completion Obligations

From the date of the SPA until Completion, except as required or permitted under the SPA or except as requested or permitted by the Buyer (such permission not to be unreasonably withheld, delayed or conditioned), the Company undertakes to procure and ensure that:

- (a) the Company shall not, without the consent of the Buyer, undertake any action to:
 - (i) prejudice the corporate existence of the members of the Target Group (other than Neo Tiew Power); or
 - (ii) change the board of directors of the Target Group (other than Neo Tiew Power); and
- (b) each member of the Target Group (other than Neo Tiew Power) shall not, without the consent of the Buyer:
 - (i) acquire or dispose of, or create, have outstanding or amend any encumbrance over, any material assets, or agree to any of the foregoing, except in the ordinary and usual course of business or pursuant to the SPA;
 - (ii) undertake any capital reduction, bonus issue, stock split or do such other acts in relation to its share capital, create, allot, issue, acquire, repay or redeem any shares or other securities, or grant any options or awards over shares or securities or issue any warrants or other forms of instruments or securities (howsoever called) convertible into shares in it or enter into any agreement or undertaking to do the same or do, or agree or permit to, or cause to be done, such acts which will dilute the interest of the Buyer in it or vary the rights attaching to any of the Sale Shares;
 - (iii) make, or agree to make, any capital expenditure on any individual item exceeding S\$50,000 or any capital expenditure exceeding S\$100,000 in the aggregate, or incur, or agree to incur, a commitment or commitments involving capital expenditure on any individual item exceeding S\$50,000 or a commitment or commitments involving capital expenditure exceeding S\$100,000 in the aggregate;
 - (iv) take any action to change the officers or management of any member of the Target Group (other than Neo Tiew Power); or
 - (v) become the legal or beneficial owner or holder of any share nor acquire any interest of any description in, or agree to merge, amalgamate or consolidate with, any other corporation,

provided that nothing in the foregoing shall prevent or otherwise restrict the Company or the members of the Target Group and their respective directors from complying with any fiduciary duties, or statutory or regulatory obligations that any of them are subject to under applicable laws.

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4. EVALUATION OF THE PROPOSED DISPOSAL

In arriving at our opinion on whether the Proposed Disposal is on normal commercial terms and whether the Proposed Disposal is prejudicial to the interests of the Company and its minority Shareholders, we have given due consideration to, *inter alia*, the following:

- (a) Rationale for the Proposed Disposal and use of proceeds from the Proposed Disposal, as set out in Sections 10 and 9 of the Circular respectively;
- (b) Historical financial performance and financial condition of the Target;
- (c) Assessment on the basis and justification of the Consideration;
- (d) Financial effects of the Proposed Disposal; and
- (e) Other relevant considerations in relation to the Proposed Disposal.

4.1 Rationale for the Proposed Disposal and Use of Proceeds

We have considered the rationale by the Company for the Proposed Disposal and intended use of proceeds which can be found in Sections 10 and 9 of the Circular respectively, and have been extracted and set out in italics below:

“10. RATIONALE FOR AND BENEFITS OF THE PROPOSED DISPOSAL

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

As announced by the Company on 6 October 2023, LSI has been appointed by HB Universal Pte Ltd, a subsidiary of Mainboard-listed Ho Bee Land Limited, to operate and manage a coworking laboratory centre at Elementum, One-North, a building in the heart of Singapore’s biomedical industry district. As the proposed project will triple the size of LSI’s co-working laboratory space operations in Singapore, the Group intends to focus its management efforts and resources on the launch of this project, as well as on its strategic partnership with Fenglin Healthcare Industry Development (Group) Co. Ltd. to develop new business opportunities for co-working laboratory space in the People’s Republic of China as announced by the Company on 17 November 2023.

In addition, the net tangible asset value of the Target is currently negative due to extraordinary write-offs resulting from the liquidation of Neo Tiew Power. As such, the Target will require fresh capital injection to fulfil its licensing obligations and ongoing working capital requirements. Further, the order book of the Target as at 30 September 2023 amounted to S\$30 million. This is significantly lower than the S\$51 million as at 30 September 2022 i.e., a decrease of 41%. Accordingly, the revenue and profitability of the Target for FY2024 is expected to be significantly lower.

As such, due to the relatively weak order book of the Target coupled with an uncertain business climate due to geopolitical tensions and high inflationary overheads, the management of the Company has considered that the management efforts and resources of the Group are better expended in the Group’s coworking laboratory management business. While the Group has considered seeking external buyers, it eventually decided to sell the Target to the management of the Target as they better understand the value of the Target and are best placed to manage the continuity of the Target’s business as compared to a third party.”

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“9. USE OF PROCEEDS

The net proceeds from the Consideration will be used by the Company for working capital purposes, including but not limited to payment of operating expenses such as professional fees, payroll and overheads.”

4.2 Historical financial performance and financial condition of the Target

We have made reference to the audited financial information of the Target for the last three (3) financial years ended 30 September (“FY”) 2021, FY2022 and FY2023. The summary of the financial information of the Target for FY2021, FY2022 and FY2023 are set out below:

Summary of financial results of the Target

S\$'000	FY2021 Audited	FY2022 Audited	FY2023 Audited
Revenue	27,789	59,070	65,924
Cost of sales	(22,641)	(50,267)	(55,705)
Gross profit	5,148	8,803	10,219
Other operating income	487	695	232
Administrative expenses	(3,646)	(5,025)	(5,677)
Other operating expenses	(655)	(953)	(1,174)
Impairment loss related to waste-to-energy	–	–	(11,998)
Finance costs	(219)	(272)	(391)
Profit/(Loss) before income tax	1,115	3,248	(8,790)
Income tax credit	17	–	–
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year	1,132	3,248	(8,790)

Source: The Company

Review of operating results

FY2021 vs FY2022

In FY2022, the Target recorded a revenue of approximately S\$59.1 million, which is 112.6% higher compared to FY2021. The significant increase in revenue was driven by the completion of several notable projects during FY2022, including construction of a Good Manufacturing Practice (GMP) Cleanroom and the HVAC system for cleanroom for Avance Living Pte. Ltd., design and build of new medical centre with and operating theatre for Singapore Breast Surgery Centre Pte. Ltd. and design and build of new office and laboratory for Genscript Biotech (Singapore) Pte. Ltd..

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In line with the increase in revenue, cost of sales increased by approximately S\$27.6 million or 122.0%, from approximately S\$22.6 million in FY2021 to approximately S\$50.3 million in FY2022. This is mainly due to higher labour costs, raw material costs and other project cost components, due to inflationary pressures.

As a result of the above, gross profit increased by approximately S\$3.7 million or 71.0%, from approximately S\$5.1 million in FY2021 to approximately S\$8.8 million in FY2022. In addition, the gross profit margin decreased from 18.5% in FY2021 to 14.9% in FY2022, as a result of higher costs from labour and material prices driven by inflationary pressures.

The Target also recorded an increase in other operating income of approximately S\$0.7 million in FY2022 as compared to approximately S\$0.5 million in FY2021. The increase in other operating income is due to higher grant and sundry income, which partially offset by lower bank and fixed deposit interests as well as lower management fee from related company.

Administrative expenses incurred during FY2022 comprised mainly staff salaries and its related costs of approximately S\$3.2 million and management fees of approximately S\$0.9 million. The increase in administrative expenses in FY2022 is mainly due to the higher staff salaries and its related costs in line with the increase in revenue in FY2022. Finance costs incurred during FY2022 comprised of interest expense on lease liabilities, term loan and bills payable. The bill payables and other credit facilities from banks are secured on the fixed deposits pledged and corporate guarantees from the Company. The bill payables during the year bear a weighted average interest of 5.30% per annum as compared to 5.10% in FY2021.

Overall, the Target recorded a profit for the year of approximately S\$3.2 million in FY2022 as compared to a profit for the year of approximately S\$1.1 million in FY2021. No income tax expense or credit was recognised for FY2022. As at 30 September 2022, the Target's order book was approximately S\$51.0 million.

FY2022 vs FY2023

In FY2023, the Target recorded a revenue of approximately S\$65.9 million, which is 11.6% higher compared to FY2022. The increase in revenue was driven by the completion of several notable projects during FY2023, including the laboratory expansion for Genscript Biotech (Singapore) Pte. Ltd., expansion of an additional floor within an existing facility of ASM Front-End Manufacturing Singapore Pte. Ltd., design and build of laboratory and clean room for Integrated DNA Technologies Pte. Ltd., as well as design and build of new laboratories and support facilities for Medpace Singapore Pte. Ltd..

In line with the increase in revenue, cost of sales increased by approximately S\$5.4 million or 10.8%, from approximately S\$50.3 million in FY2022 to approximately S\$55.7 million in FY2023.

As a result of the above, gross profit increased by approximately S\$1.4 million or 16.1%, from approximately S\$8.8 million in FY2022 to approximately S\$10.2 million in FY2023. Gross profit margins improved from 14.9% in FY2022 to 15.5% in FY2023.

The Target also recorded a decrease in other operating income of approximately S\$0.5 million or 66.6% from approximately S\$0.7 million in FY2022 to approximately S\$0.2 million in FY2023. The decrease in other operating income is mainly due to lower grant income and lower management fee received from related company, which partially offset by fixed deposit interest.

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Administrative expenses incurred during FY2023 comprised mainly staff salaries and its related costs of approximately S\$3.4 million and management fees of approximately S\$1.0 million. The increase in finance costs in FY2023 is mainly due to increase in interest rates on bills payable. The bill payables and other credit facilities from banks are secured on the fixed deposits pledged and corporate guarantees from the Company. The bill payables during the year bear a weighted average interest of 6.88% per annum as compared to 5.30% in FY2022.

The Target recognised an impairment loss of approximately S\$12.0 million in FY2023. The impairment loss relates to the waste-to-energy plant owned by the Target's indirect subsidiary, Neo Tiew Power Pte. Ltd., which has stopped operation and has since been placed under creditors' voluntary winding up with effect from 24 November 2023.

Overall, the Target recorded a loss for the year of approximately S\$8.8 million in FY2023 as compared to a profit after income tax of approximately S\$3.2 million in FY2022, mainly due to the above-mentioned impairment loss. No income tax expense or credit was recognised for FY2023.

As at 30 September 2023, the Target's order book of construction contracts was approximately S\$29.9 million, representing a decline of approximately 41.4% as compared to the order book as at 30 September 2022 of S\$51.4 million. Accordingly, the Group expects lower revenue attributable to the Target for FY2024 and correspondingly, lower profits attributable to the Target for FY2024.

Statement of financial position of the Target

	As at 30 September 2023
	S\$'000
ASSETS	
Current assets	
Cash and bank balances	5,114
Trade receivables	5,352
Inventories	597
Contract assets	10,426
Other receivables, deposits and prepayments	283
Total current assets	21,772
Non-current assets	
Plant and equipment	439
Right-of-use assets	581
Investment in subsidiary	NM
Total non-current assets	1,020
Total Assets	22,792

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As at 30 September 2023	
S\$'000	
LIABILITIES AND EQUITY	
Current liabilities	
Trade and other payables	14,944
Bill payables	4,413
Contract liabilities	380
Lease liabilities	313
Bank loans	2,314
Total current liabilities	22,364
Non-current liabilities	
Lease liabilities	180
Bank loans	611
Total non-current liabilities	791
Total liabilities	23,155
Capital and reserves	
Share capital	8,000
Accumulated losses	(8,363)
Total equity	(363)
Total Liabilities and Equity	22,792

Source: The Company

Note:

NM Not meaningful as the figure is less than S\$1,000.

As at 30 September 2023, the total assets of the Target amounted to approximately S\$22.8 million, comprising current assets of approximately S\$21.8 million and non-current assets of approximately S\$1.0 million, representing approximately 95.5% and 4.5% of total assets respectively.

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Current assets as at 30 September 2023 comprised mainly (i) contract assets of approximately S\$10.4 million, (ii) trade receivables of approximately S\$5.4 million and (iii) cash and bank balances of approximately S\$5.1 million, representing 45.7%, 23.5% and 22.4% of total assets respectively.

Non-current assets as at 30 September 2023 comprised of (i) right-of-use assets of approximately S\$0.6 million and (ii) plant and equipment of approximately S\$0.4 million, representing 2.5% and 1.9% of total assets respectively. Right-of-use assets represents the leases entered into by the Target of certain office premise, staff accommodations, motor vehicles and factory machinery. Property and equipment of the Target consists mainly of factory machinery (approximately S\$0.8 million), computer equipment and software (approximately S\$0.7 million), renovation (approximately S\$0.5 million), furniture and fittings and office equipment (approximately S\$0.4 million) and construction in-progress (approximately S\$0.2 million). No valuations have been conducted on these assets in connection with the Proposed Disposal.

As at 30 September 2023, the total liabilities of the Group amounted to approximately S\$23.2 million comprising current liabilities of approximately S\$22.4 million and non-current liabilities of approximately S\$0.8 million, representing approximately 96.6% and 3.4% of total liabilities respectively.

Current liabilities as at 30 September 2023 comprised mainly (i) trade and other payables of approximately S\$14.9 million, (ii) bill payables of approximately S\$4.4 million and (iii) bank loans of approximately S\$2.3 million, representing approximately 64.5%, 19.1% and 10.0% of total liabilities respectively. Non-current liabilities as at 30 September 2023 comprised of (i) bank loans of approximately S\$0.6 million and (ii) lease liabilities of approximately S\$0.2 million, representing approximately 2.6% and 0.8% of total liabilities respectively.

The Target recorded negative net working capital of approximately S\$0.6 million and net liability position of approximately S\$0.4 million as at 30 September 2023.

Taking into account, *inter alia*, (i) that the Target recorded a net loss in FY2023; (ii) the significant decline in the order book of the Target as at 30 September 2023 by 41.4% and correspondingly expected lower profits attributable to the Target for FY2024; and (iii) the net liabilities position of the Target as at 30 September 2023, we did not conduct an assessment on the relative valuation of the Target based on the market approach, as the valuation multiples derived from the latest financial performance and position of the Target for FY2023 would not be particularly meaningful or useful as an indication of the fair value of the Target in such a scenario.

4.3 Assessment on the basis and justification of the Consideration

4.3.1 Comparison with the fair market value of 100% equity interest in the Target

The Consideration of S\$3,300,000 was arrived at on a willing-buyer and willing seller basis after taking into account, amongst others, the factors as set out in Section 2.3.2 of the Circular and Paragraph 3.3(b) of this IFA Letter.

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In connection with the Proposed Disposal, the Independent Valuer was appointed by the Company to assess and determine the market value of 100% equity interest of the Target as at the valuation date of 30 September 2023. As set out in the Independent Valuation Report, the Independent Valuer has conducted its valuation on the basis of “Market Value” which is defined as:

“The amount for which the shares would change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell.”

The Independent Valuer has considered and adopted two conventional valuation approaches, namely, Income Approach – Discounted Cash Flow (“**DCF**”) Analysis and Market Approach – Comparable Companies Analysis.

The Independent Valuer has adopted the Income Approach – DCF Analysis as its primary valuation methodology, as (i) the asset-based approach does not take into account of the future changes in sales or income; (ii) due to the scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the Target; and (iii) due to the scarcity of publicly traded companies with similar characteristics at the Target and the broad range of valuations derived. DCF Analysis reflects the future plans and growth of the Target and is premised on the principle that the value of a group, company, division, business, or collection of assets can be derived based on the present value of its projected free cash flow (“**FCF**”). The projected FCF is derived from a variety of assumptions and judgments about its expected financial performance, including sales growth rates, profit margins, capital expenditures, and net working capital requirements, which will be discounted to the present value at the Target’s weighted average cost of capital (“**WACC**”). The present value of the FCF and terminal value are summed to determine an enterprise value, which serves as the basis for the DCF valuation. In this regard, the Independent Valuer has been provided with projections of the Target for the financial years ending 30 September 2024, 30 September 2025 and 30 September 2026 which form the basis of its discounted cash flow analysis.

As set out in the Independent Valuation Report, we note that in arriving at the market value of the Target based on DCF, the Independent Valuer has ascribed a risk-free rate of 3.40% in its WACC computation based on the Singapore 10-year government bond yield as at 30 September 2023. In this regard, the current Singapore 10-year government bond yield as at the Latest Practicable Date is slightly higher at 3.45%. The Independent Valuer has performed a sensitivity analysis using WACC discount rate ranging from 9.01% to 10.01% (with a base case WACC of 9.51%) and perpetual growth rate ranging from 1.49% to 2.49% (with a base case growth rate of 1.99%) in its discounted cash flow analysis and has accordingly derived an implied equity value range of S\$2.0 million to S\$4.9 million, with a **base value of S\$3.3 million**, for 100% equity interest in the Target. In this regard, we note that that the Consideration of S\$3.3 million is equivalent to the base market value attributable to the Target as assessed by the Independent Valuer.

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We further note that the Independent Valuer has included the Market Approach – Comparable Companies Analysis as its secondary valuation methodology as a reference cross-check to ensure the reasonableness of the derived valuation results from the DCF Analysis. The indication of value under the Market Approach involves determining the value of the Target’s business by referencing to available market information, such as EV/EBITDA multiples of comparable publicly listed companies which were then adjusted with (i) a range of 20% and 33% discount for the lack of marketability as the Target is privately owned and is smaller in size and less liquid as compared to the comparable listed companies. We also note that the Independent Valuer has considered the normalised average historical EBITDA for FY2023 and projected EBITDA for FY2024 in arriving at a maintainable EBITDA as at the valuation date. Based on the aforementioned, the Independent Valuer arrived at an implied equity values of the Target using the Market Approach – Comparable Companies Analysis of between S\$2.9 million to S\$14.0 million. The wide range of the implied equity values is due to the wide variation in the EV/EBITDA multiples of the comparable listed companies which ranges from 2.8 times at the lower quartile to 8.3 times at the upper quartile.

It should be noted that the independent valuation of the Target is based on various assumptions and limitations as set out in the Valuation Report, and Shareholders are advised to read the above in conjunction with the Summary Valuation Report as set out in Appendix B of the Circular.

4.3.2 Novation of amounts owing by LSI to the Target

One of the conditions precedent under the SPA is that the amounts owing by LSI, a 70% subsidiary of the Group, to the Target as at the date of the SPA amounting to S\$781,112 (i.e., the Novated Sum) will be novated to the Company, which will result in a further gain of approximately S\$0.8 million to the Group, in addition to the net gain from the Proposed Disposal of S\$4.2 million.

4.4 **Financial effects of the Proposed Disposal**

The financial effects of the Proposed Disposal on the Group’s net tangible assets (“**NTA**”) per Share and earnings per Share (“**EPS**”) of the Group are set out in Section 4 of the Circular and have been prepared based on the Group’s audited financial statements for the financial year ended 30 September 2023 (“**FY2023**”). The financial effects are for illustrative purposes only and are not intended to reflect the actual future financial performance and position of the Group after the completion of the Proposed Disposal.

In summary, we note the following financial effects of the Proposed Disposal:

- (i) the Group’s NTA per Share as at 30 September 2023 would increase from 0.21 Singapore cents before the Proposed Disposal to 2.02 Singapore cents after the Proposed Disposal, as a result of the recognition of the gain on disposal from the Proposed Disposal;
- (ii) the Group’s net loss for the financial year ended 30 September 2023 of approximately S\$7.0 million before the Proposed Disposal would have reduced to a net loss of approximately S\$1.9 million after the Proposed Disposal as a result of the recognition of the gain on disposal from the Proposed Disposal; and

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- (iii) accordingly, the Group would have recognised a loss per Share of 0.83 Singapore cents after the Proposed Disposal from the Group's loss per Share of 2.99 Singapore cents before the Proposed Disposal.

4.5 Other relevant considerations in relation to the Proposed Disposal

(i) Gain arising from the Proposed Disposal and Use of Proceeds

The negative book value or net tangible liabilities (“**NTL**”) value of the Sale Shares as stated in the audited financial statements of the Target as at 30 September 2023 is approximately S\$0.36 million. The Consideration constitutes an excess of approximately S\$4.2 million over the NTL of the Sale Shares as at 30 September 2023 and the amount of gain on disposal of the Sale Shares (including the gains attributable to the Novated Sum as mentioned in Paragraph 4.3.2 of this IFA Letter) amounts to approximately S\$5.0 million.

The net proceeds from the Consideration will be used by the Company for working capital purposes, including but not limited to payment of operating expenses such as professional fees, payroll and overheads.

(ii) Prospects of the Target

As set out in the rationale of the Proposed Disposal in Section 10 of the Circular, the Target will require fresh capital injection to fulfil its licensing obligations and ongoing working capital requirements. In addition, due to relatively weak order book of the Target (which has declined by 41.4% as at 30 September 2023 versus the previous year) coupled with an uncertain business climate due to geopolitical tensions and high inflationary overheads, the management of the Company has considered that the management efforts and resources of the Group are better expended in the Group's coworking laboratory management business.

(iii) Terms of Payment

As set out in Paragraph 3.3(b) of this IFA Letter, the Consideration will be paid in three (3) tranches, (i) Deposit Payment of S\$500,000 on the date of the SPA; (ii) Completion Payment of S\$1,500,000 on the Completion Date; and (iii) Final Payment of S\$1,300,000 by no later than 31 December 2024.

Pending the receipt in full of the Final Payment and the discharge of the Vendor Corporate Guarantees, the share certificate(s) in the Buyer's name in respect of the Sale Shares shall be held in escrow by the Company's Singapore legal advisers. In addition, Mr. Chew Chee Keong, the majority shareholder of the Buyer, has agreed to pledge the 22,000,000 fully paid ordinary shares in the capital of the Company (the “**Pledged Shares**”) held by him in favour of the Company or its nominee to secure the payment by the Buyer of the Final Payment. Based on the last closing price of the Shares as at the Latest Practicable Date of S\$0.026, the Pledged Shares has a market value amounting to S\$572,000.

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(iv) Corporate Guarantees provided by the Company

On 17 May 2019, Acropower had entered into a contract with CAPL for the construction and operation of a waste to energy plant located at Neo Tiew Road, Singapore (the “**Contract**”). The Contract was subsequently novated from Acropower to Neo Tiew Power in June 2020. The Company had issued a corporate guarantee to CAPL in connection with the Contract (the “**CAPL Guarantee**”) for an amount of up to S\$1,000,000.

On 15 June 2023, the Company announced that the Company and Neo Tiew Power have both received a letter of demand from CAPL in relation to certain allegations pertaining to the Contract and the CAPL Guarantee. In this regard, Neo Tiew Power has since been placed under creditors’ voluntary winding up with effect from 24 November 2023 and the Group has been in discussion with CAPL with respect to the settlement and dissolution of Neo Tiew Power. On 25 March 2024, the Company announced that it has entered into an asset purchase agreement and a settlement agreement (the “**Settlement Agreement**”) with CAPL pursuant to which, *inter alia*, (i) the Target will acquire over all the assets and assume the liabilities of Neo Tiew Power; (ii) the Target agrees to sell and transfer to CAPL building structures, including all plant, equipment, fixtures, fittings and items of Neo Tiew Power agreed between the Target and CAPL as defined in the Settlement Agreement (the “**Retained Assets**”); and (iii) in consideration of the sale and transfer of the Retained Assets and certain indemnity provide by the Target to CAPL, CAPL has agreed to irrevocably and unconditionally waive all claims, rights and interest in and to release the Company from all liabilities under the CAPL Guarantee.

In respect of the Vendor Corporate Guarantees, pursuant to the terms of the SPA, the Buyer shall procure that the Vendor Corporate Guarantees (which excludes the CAPL Guarantee) shall be terminated and discharged by no later than 31 December 2024, pending which the share certificate(s) in the Buyer’s name in respect of the Sale Shares shall be held in escrow by the Company’s Singapore legal advisers.

(v) No alternative offers from third parties

As at the Latest Practicable Date, the Directors have confirmed that they are not aware of any other formal offer or proposal from any third party to acquire the Target from the Company.

(vi) Abstention from voting

As set out in Section 16 of the Circular, the Buyer and any of its associates will abstain from voting at the EGM in relation to the Proposed Disposal, and will not accept appointments as proxies unless the independent Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be cast for the ordinary resolution relating to the Proposed Disposal.

5. OUR OPINION

In arriving at our opinion in relation to the Proposed Disposal, we have considered and evaluated factors which we deem to have significant relevance to our assessment, particularly the key factors which are described in more details in Paragraph 4 of this IFA

APPENDIX A – IFA LETTER

Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter), including, *inter alia*, the following:

In respect of the Proposed Disposal

- (i) The rationale for the Proposed Disposal and use of proceeds from the Proposed Disposal, details of which are set out in Paragraph 4.1 of this IFA Letter;
- (ii) Historical financial performance and financial condition of the Target, details of which are set out in Paragraph 4.2 of this IFA Letter;
- (iii) Assessment on the basis and justification of the Consideration, details of which are set out in Paragraph 4.3 of this IFA Letter;
- (iv) Financial effects of the Proposed Disposal, details of which are set out in Paragraph 4.4 of this IFA Letter; and
- (v) Other relevant considerations in relation to the Proposed Disposal, details of which are set out in Paragraph 4.5 of this IFA Letter.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is prepared as required under Chapter 9 of the Catalist Rules as well as addressed to the Recommending Directors for their benefit and for the purpose of their consideration of the Proposed Disposal. The recommendation to be made by the Recommending Directors to the Shareholders shall remain the responsibility of the Recommending Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of any matter relating to the Proposed Disposal.

This IFA Letter is governed by and construed in accordance with the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours Sincerely
For and on behalf of
W Capital Markets Pte. Ltd.

Foo Say Nam
Partner
Head of Advisory

Alicia Chang
Vice President
Corporate Finance

APPENDIX B – SUMMARY VALUATION REPORT



531 Upper Cross Street #02-05
Hong Lim Complex Singapore 050531

10 April 2024

The Board of Directors
AcroMeta Group Limited
11 Woodlands Terrace
Singapore 738436

Business Valuation of Acromec Engineers Pte. Ltd.

Dear Sirs,

1. Introduction

Chay Corporate Advisory Pte Ltd (“CCA”) has been appointed by AcroMeta Group Limited (“AcroMeta”) to perform a business valuation of the market value of Acromec Engineers Pte. Ltd. (“Acromec” or the “Company”) as at 30 September 2023 (“Valuation Date”) for the purposes of AcroMeta’s proposed divestment of Acromec as announced by AcroMeta on 5 March 2024 (“Proposed Acquisition”).

The letter is a summary containing information from our valuation report dated 10 April 2024 (the “Valuation Report”). Accordingly, this letter and its contents should be read in conjunction with the full text in the full Valuation Report.

2. Terms of reference

- (i) The objective of the Valuation Report is to provide an independent view of the market value of the Company as at 30 September 2023 in accordance with the International Valuation Standards (“IVS”) as prescribed by the International Valuation Standards Council (“IVSC”).
- (ii) We have not undertaken any due diligence or audit of the financial information provided to us. The accuracy of such information is the sole responsibility of the management of the Company (“Management”).
- (iii) Our estimation of the indicative valuation of the Company is based on its existing operations and likely future expansion plans only, and does not take into account of any fundamentally different business that Management may pursue in the foreseeable future.

APPENDIX B – SUMMARY VALUATION REPORT

- (iv) We are not expressing an opinion on the commercial merits and structure on the transaction of the Company and accordingly, this valuation report does not purport to contain all the information that may be necessary to fully evaluate the commercial or investment merits of the transaction of the Company. The assessment of the commercial and investment merits of this transaction is solely the responsibility of both AcroMeta and the Management. In addition, our work should not be constructed as an investment advice to the current or prospective shareholders/investors of the Company.
- (v) We have not conducted a comprehensive review of the business, operation or financial conditions of the Company nor any work in relation to the feasibility or tax efficiency of the Company's business operation, and accordingly our Valuation Report will not make any representation or warranty, expressed or implied in this regard.
- (vi) Our scope in this engagement does not require us to express, and we do not express a view on the future prospects of the Company, or any views on the future trading process of the shares or the financial condition of the Company.
- (vii) Our terms of reference do not require us to provide advice on legal, regulatory, accounting or taxation matters made available to us if the Company has obtained specialist advice, and where we will consider, and where appropriate, relied upon such advice.
- (viii) The information used by us in preparing the Valuation Report has been obtained from a variety of sources as indicated within the Valuation Report. While our work has involved an analysis of the financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided to us by and on the behalf of the Company.
- (ix) Budgets/forecasts/projections relate to future events and are based on assumptions which may not remain valid for the whole of the relevant period. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons, we express no opinion as to how closely the actual results achieved will correspond to those budgeted/forecasted/projected. Instead, our work is in nature of a review of the information provided to us, and discussions with members of the Management.

3. Use of Valuation Report and Summary Valuation Report

Our work will be carried out solely for the use of AcroMeta. This valuation report resulting from our work may not be used for any other purpose or by any other person, referred to in any document or made available to any party (other than your professional advisors acting in that capacity) without our prior written consent (including without limitation, the shareholders of AcroMeta), except for the purpose of any matter relating to the Proposed Acquisition (including making references to and reproduction in the shareholders' circular and being made available for inspection). Any recommendation made by the Directors to the shareholders of AcroMeta shall remain the responsibility of such Directors.

APPENDIX B – SUMMARY VALUATION REPORT

4. Reliance on available information and representation from the Management

In the course of our work, we have held discussions with the Management. We have also examined and relied on information provided by the Company, and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance, but have made such reasonable enquiries and used our judgment as we deemed necessary on the reasonable use of such information and have no reason to doubt the accuracy or reliability of the information.

However, we have a duty to exercise reasonable professional skill and care in performing our work in accordance with the terms of this engagement and have made reasonable enquires and exercised our judgment on the reasonable use of such information. Our work will, where appropriate, be conducted in accordance with applicable professional guidance.

The Management have confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute full and true disclosure, in all material respects and facts relating to the Company as required for the purposes of our valuation.

In no circumstances shall we be liable, other than in the event of our bad faith, willful default for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by the Management and the Directors, employees or staffs of the Company or any other person of whom we have made inquiries of during the course of our work.

5. Valuation methodology

The basis of the valuation will be made by reference to the market value. Market value is defined as the amount at which the shares would change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell. Market value, as defined above, is a concept of value which may or may not equal the “purchase/sale price” that could be obtained if the shares were sold to a special purchaser in an actual transaction in the open market.

Special purchasers may be willing to pay higher prices to gain control or obtain the capacity to reduce or eliminate competition, ensure a source of material supply or sales, achieve cost savings arising on business combinations following acquisition, or any other synergies which may be enjoyed by the purchaser. Our valuation will not be premised on the existence of a special purchase.

The indicative valuation of the Company has taken into consideration of the values implied by a combination of discounted cash flow (“DCF”) and comparable companies (“CC”) analysis.

The discounted cash flow analysis is premised on the principle that the value of a company, Company, business, or collection of assets can be derived based on the present value of its projected free cash flow, while the CC analysis determines the value of a company’s business by referencing to available market information, such as trading multiples of comparable publicly listed companies.

APPENDIX B – SUMMARY VALUATION REPORT

In valuing the Company, we have adopted the DCF approach as the primary valuation methodology for the following reasons:

- (i) The DCF approach reflects the future plans and growth of the Company. This approach is less influenced by volatile external factors because it is an inward-looking process which relies more heavily on the fundamental expectations of the business and explicit estimates of the value drivers;
- (ii) The asset-based approach does not take into account of the future changes in sales or income; and
- (iii) The scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the Company.

Under this approach and methodology, we have discounted the projected free cash flows of Company with discount rates having considered, amongst all relevant risk factors, such as business size, business environment, cost of debt, riskiness of cash flows. The free cash flow of the Company has been projected for the period starting from financial year (“FY”) 2024 to FY 2026. We have considered the EV/EBITDA multiple of comparable companies as a reference cross-check to ensure reasonableness of the derived valuation results from the DCF analysis.

Our valuation is based on various assumptions with respect to the Company, including their respective present and future financial conditions, business strategies and the environment in which they operate. These assumptions are based on the information that we have been provided and discussions with the Company and Management reflecting current expectations on current and future events.

Among other assumptions that are stated in the Valuation Report, the key assumptions are as follows:

- (i) Revenue is generated mainly from the provision of engineering, procurement and construction (“EPC”) services for a broad spectrum of controlled environments, thereby fulfilling all the different requirements of standards and customisation.
- (ii) Notwithstanding a decrease in revenue by 39.32% in FY 2024, revenue is expected to grow at a modest rate of between 2.44% and 2.50% for the subsequent two financial years from FY 2025 to FY 2026.
- (iii) Conversely, administrative and other operating expenses is projected to remain consistently flat over the forecasted period from FY 2024 to FY 2026. As a result, EBITDA margin is expected to hover between 2.39% and 2.82% for the forecasted period from FY 2024 to FY 2026, being conservatively lower as compared to the historical EBITDA margin of between 5.19% and 6.20% from FY 2021 to FY 2023.
- (iv) Depreciation is assumed to be SGD 200,000 from FY 2024 to FY 2026 based on Management’s projections.
- (v) Finance cost is assumed to range from 0.49% to 0.54% of revenue for the forecasted period from FY 2024 to FY 2026, in line with the historical range from 0.40% to 0.69% of revenue from FY 2021 to FY 2023.

APPENDIX B – SUMMARY VALUATION REPORT

- (vi) Capital expenditure is forecasted to remain consistent as depreciation for the forecasted period from FY 2024 to FY 2026, thereby representing the required capital expenditure replacement.
- (vii) Corporate income tax is expected to be based on Singapore's corporate tax rate of 17%.

Notwithstanding that no independent assessment of the assumptions was conducted, as part of the terms of reference, CCA has made such reasonable enquiries and used judgment as would have been deemed necessary on the reasonable use of such information and/or representations provided by the Management and have no reason to doubt its accuracy or reliability.

6. Conclusion

In summary and as detailed in the Valuation Report, the range of market value corresponding to the implied equity values for the Company of between SGD 2.9 million and SGD 4.9 million, with a base value of SGD 3.3 million as at the Valuation Date.

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this letter and the Valuation Report. Such conditions may change significantly over a relatively short period and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this letter to reflect events or developments subsequent to the date of this letter and the Valuation Report.

Yours faithfully,

Chay Corporate Advisory Pte. Ltd.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ACROMETA GROUP LIMITED

(Company Registration No.: 201544003M)
(Incorporated in the Republic of Singapore)

All capitalised terms in this Notice of EGM and defined in the circular dated 6 May 2024 (the “**Circular**”) shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the Circular.

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of AcroMeta Group Limited (the “**Company**”) will be held at NUSS Mandalay Guild House, Adam Bukit and Orchard Suite at 2 Mandalay Road, Singapore 308206 on 21 May 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing (with or without any modifications) the following ordinary resolution:

ORDINARY RESOLUTION: THE PROPOSED DISPOSAL

That:

- (1) approval be and is hereby given for the Company to sell 100% of the issued and paid-up share capital of Acromec Engineers Pte Ltd to AESM Holding Pte. Ltd. (the “**Buyer**”) for an aggregate consideration of S\$3,300,000 pursuant to the terms and subject to the conditions of the sale and purchase agreement dated 5 March 2024 entered into between the Company and the Buyer which constitutes an Interested Person Transaction under Chapter 9 and a Major Transaction under Chapter 10 of the Catalist Rules (the “**Proposed Disposal**”);
- (2) the Directors and/or each of them be and are hereby authorised to do all acts and things, enter into all transactions, arrangements and agreements, and approve, execute and deliver all documents as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in the above paragraph of this ordinary resolution or the transactions contemplated by the Proposed Disposal as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group; and
- (3) to the extent that any action in connection with the matters referred to in the above paragraphs of this ordinary resolution or the transactions contemplated by the Proposed Disposal has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approve, ratified and confirmed.

BY ORDER OF THE BOARD

Siau Kuei Lian
Company Secretary

6 May 2024
Singapore

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:–

- (1) The members of the Company are invited to attend physically at the EGM. There will be no option for shareholders to participate virtually.
- (2) An investor who holds shares under the Supplementary Retirement Scheme (“**SRS Investor**”) and wishes to appoint the Chairman of the EGM as proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the EGM.
- (3) A member who is not a Relevant Intermediary, entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the EGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.
- (4) A member who is a Relevant Intermediary may appoint one or more proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
- (5) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (6) A member can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid. The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
- (7) The instrument appointing a proxy must: (i) if sent personally or by post, be deposited at the office of Company at 11 Woodlands Terrace, Singapore 738436; or (ii) by email to shareregistry@incorp.asia, and in either case, by no later than seventy-two (72) hours before the time appointed for holding the EGM, and in default the instrument of proxy shall not be treated as valid.
- (8) A member may ask question relating to the item on the agenda of the EGM: (a) at the EGM; or (b) submitting question via mail to the Company’s registered office at 11 Woodlands Terrace, Singapore 738436, or (c) email to shareregistry@incorp.asia in advance of the EGM by 10.00 a.m. on 13 May 2024.

When submitting the questions, please provide the Company with the following details, for verification purpose:–

- (i) Full name;
- (ii) NRIC number;
- (iii) Current address;
- (iv) Contact number; and
- (v) Number of shares held.

Please also indicate the manner in which you hold shares in the Company (e.g. via CDP, CPF or SRS).

Shareholders are encouraged to submit their questions before 10.00 a.m. on 13 May 2024, as this will allow the Company sufficient time to address and respond to these questions on or before 10.00 a.m. on 16 May 2024 (forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms). The responses will be published on (i) the SGX’s website; and (ii) the Company’s corporate website.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, or (b) submitting any question prior to the EGM of the Company in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) addressing substantial and relevant questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions, (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities, and (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

ACROMETA GROUP LIMITED

(Company Registration No. 201544003M)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing
this Proxy Form)

IMPORTANT:

1. A Relevant Intermediary may appoint more than two (2) proxies to attend the EGM and vote.
2. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") and wishes to appoint the Chairman of the Meeting as proxy should inform their respective SRS Operators to submit their votes at least 7 working days before the EGM.
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We _____ (Name), *NRIC/Passport No. _____
of _____ (Address)
being *a member/members of Acrometa Group Limited (the "**Company**"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings	
			No. of Shares	(%)

and/or failing *him/her

Name	Address	NRIC/ Passport No.	Proportion of shareholdings	
			No. of Shares	(%)

or failing *him/her/them, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at NUSS Mandalay Guild House, Adam Bukit and Orchard Suite at 2 Mandalay Road, Singapore 308206 on 21 May 2024 at 10.00 a.m., and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for, against or abstain the Resolution to be proposed at the EGM as indicated hereunder. If no specified direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolution relating to:	For	Against	Abstain
	As Ordinary Resolution:			
1.	To approve the proposed disposal of 100% of the issued and paid-up share capital of Acromec Engineers Pte Ltd, a wholly owned subsidiary of the Company, to an interested person as defined under Chapter 9 of the Catalist Rules, AESM Holding Pte. Ltd.			

Dated this _____ day of _____ 2024

**Total number of Shares
held**

Signature(s) of Shareholder(s)
and Common Seal of Corporate Shareholder

PROXY FORM

Notes:–

The Proxy Form will be published on the Company's website at the URL <https://acrometa.com> and will also be made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument shall be deemed to relate to all the Shares held by you.
2. A member of the Company (including a Relevant Intermediary) entitled to vote at the Meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number or class of shares shall be specified).
5. Investors who hold shares through a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore ("Act") (the "Relevant Intermediary"), and who wish to attend the EGM should approach their Relevant Intermediary as soon as possible in order for the Relevant Intermediary to make the necessary arrangements for their attendance.
6. Subject to note 7, completion and return of this instrument appointing a proxy shall not preclude a Member from attending and voting at the Meeting. Any appointment of proxy or proxies shall be deemed to be revoked if a Member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
7. An investor who holds shares under Supplementary Retirement Scheme ("SRS Investor") may attend and cast his/her vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as his/her proxy, in which case, the SRS Investors shall be precluded from attending the Meeting.
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or duly authorised officer. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
9. The instrument appointing a proxy must: (i) if sent personally or by post, be deposited at the office of Company at 11 Woodlands Terrace, Singapore 738436; or (ii) by email to shareregistry@incorp.asia and in either case, by no later than seventy-two (72) hours before the time appointed for holding the EGM, and in default the instrument of proxy shall not be treated as valid.

Members are strongly encouraged to submit completed proxy forms electronically by email to the Company at shareregistry@incorp.asia

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 6 May 2024.

General:

The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.