

13 January 2023

THIS APPENDIX 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.

This Appendix is circulated to shareholders of AcroMeta Group Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 30 September 2022 (the “**Annual Report**”). Its purpose is to explain to shareholders the rationale and provide information to shareholders for the proposed renewal of the Share Purchase Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting of the Company to be held on 30 January 2023 at 10.00 a.m. at 4 Kaki Bukit Avenue 1, #04-04 Kaki Bukit Industrial Estate, Singapore 417939.

The Notice of Annual General Meeting and the accompanying proxy form are enclosed with the Annual Report.

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company, you should immediately forward this Appendix, together with the Annual Report, the Notice of Annual General Meeting and the accompanying 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 Appendix 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 Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

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 LIMITED

(formerly known as Acromec Limited)
(Company Registration No. 201544003M)
(Incorporated in the Republic of Singapore)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

| | | |
|----------------------------------|---|---|
| “AGM” | : | Annual general meeting of the Company to be held on 30 January 2023 at 10.00 a.m. at 4 Kaki Bukit Avenue 1, #04-04 Kaki Bukit Industrial Estate, Singapore 417939 |
| “Board” | : | The board of Directors of the Company for the time being |
| “Catalist Rules” | : | The SGX-ST Listing Manual Section B: Rules of Catalist |
| “CDP” | : | The Central Depository (Pte) Limited |
| “Companies Act” | : | The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time |
| “Company” | : | AcroMeta Group Limited |
| “Constitution” | : | The constitution of the Company |
| “Director” | : | A director of the Company for the time being |
| “FY” | : | Financial year ended, or as the case may be, ending 30 September |
| “Group” | : | The Company and its subsidiaries |
| “Latest Practicable Date” | : | 21 December 2022, being the latest practicable date prior to the date of this Appendix |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “Share Purchase Mandate” | : | The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire Shares on behalf of the Company in accordance with the terms set out in this Appendix and the rules and regulations set forth in the Companies Act and the Catalist Rules |
| “Shareholders” | : | Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Shares |
| “Shares” | : | Ordinary shares in the capital of the Company |
| “SIC” | : | The Securities Industry Council of Singapore |
| “subsidiary holdings” | : | Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act |

| | | |
|----------------------------------|---|--|
| “Substantial Shareholder” | : | A person who holds directly or indirectly 5% or more of the total number of voting Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company |
| “Take-over Code” | : | The Singapore Code on Take-overs and Mergers, as amended, supplemented or modified from time to time |
| “treasury shares” | : | Issued Shares of the Company which were (or are treated as having been) purchased by the Company under circumstances in which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company |
| “\$” and “cents” | : | Singapore dollars and cents respectively |
| “%” or “percent” | : | Percentage or per centum |

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore (as amended, supplemented or modified from time to time).

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 and *vice versa*.

References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

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

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

ACROMETA GROUP LIMITED

(formerly known as Acromec Limited)
(Company Registration No. 201544003M)
(Incorporated in the Republic of Singapore)

Directors:

Mr Lim Say Chin (Executive Chairman and Chief Executive Officer)
Mr Chew Chee Keong (Executive Director and Chief Operating Officer)
Mr Goi Chew Leng (Non-Executive Non-Independent Director)
Mr Yee Kit Hong (Lead Independent Director)
Mr John Geno-Oehlers (Independent Director)
Mr Mahtani Bhagwandas (Independent Director)

Registered Office:

4 Kaki Bukit Avenue 1
#04-04 Kaki Bukit
Industrial Estate
Singapore 417939

13 January 2023

To: The Shareholders of AcroMeta Group Limited

Dear Sir/Madam

APPENDIX TO SHAREHOLDERS IN RELATION TO PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

1.1. Background

Shareholders had approved the Share Purchase Mandate at the annual general meeting held on 20 January 2022 to enable the Company to purchase or otherwise acquire issued Shares. The authority conferred on the Directors under the current Share Purchase Mandate will expire at the AGM to be held on 30 January 2023 at 10.00 a.m..

Accordingly, the Directors propose to seek the approval of Shareholders for the renewal of the Share Purchase Mandate. The purpose of this Appendix is to provide Shareholders with information in relation to the proposed renewal of the Share Purchase Mandate.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Appendix. The Sponsor has reviewed this Appendix in accordance with Rules 226(2)(b) and 753(2) of the Catalist Rules.

1.2. Legal Adviser

Virtus Law LLP is the legal adviser to the Company as to Singapore law in relation to the proposed renewal of the Share Purchase Mandate.

2. RATIONALE FOR THE SHARE PURCHASE MANDATE

The rationale for the Share Purchase Mandate includes the following:

- (a) The Share Purchase Mandate would give the Company the flexibility to undertake purchases of its Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. Share purchases provide the Company with a mechanism to return surplus cash over and above its ordinary capital requirements and investment needs to its Shareholders in an expedient and cost-efficient manner.

- (b) The Share Purchase Mandate will allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves, with a view to enhancing the net tangible assets and/or earnings per Share.
- (c) The purchase or acquisition of Shares under the Share Purchase Mandate will help to mitigate short-term share price volatility by stabilising the supply and demand of issued Shares and offset the effects of short-term share price speculation, thereby supporting the fundamental value of the issued Shares and bolstering Shareholders' confidence.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity of Shares or the financial position of the Company and the Group or result in the Company being delisted. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

3. AUTHORITY AND LIMITS OF THE SHARE PURCHASE MANDATE

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, if renewed at the AGM, are summarised below:–

(a) Maximum Number of Shares

The Company may purchase only Shares which are issued and fully paid-up. The total number of Shares that may be purchased is limited to that number of Shares representing not more than 10% of the issued Shares (excluding any treasury shares and subsidiary holdings) as at the date of the AGM at which the resolution renewing the Share Purchase Mandate is passed (the "**Approval Date**"), unless the Company has thereafter, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of Shares of the Company shall be taken to be the total number of Shares as altered (excluding any treasury shares and subsidiary holdings). "**Relevant Period**" means the period commencing from the date on which the Share Purchase Mandate is renewed and expiring on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier.

For illustrative purposes only, based on the issued share capital of the Company as at the Latest Practicable Date of 138,563,978 Shares (with no treasury shares or subsidiary holdings), and assuming that the number of Shares (excluding treasury shares and subsidiary holdings) of the Company remains unchanged up to the date of the AGM, not more than 13,856,397 Shares, representing 10% of the issued Shares (excluding treasury shares and subsidiary holdings) as at that date, may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

The Company may not acquire its own Shares if as a result thereof, the issued share capital of the Company would be reduced below the minimum subscribed capital specified in the Constitution, or if the Share purchase is carried out to such an extent that it affects the listing status of the Company on the Catalist or causes the Company to be unable to meet the minimum public float requirement.

(b) Duration of Authority

Purchases of Shares may be made, at any time and from time to time, from the Approval Date up to the earliest of:–

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by an ordinary resolution of Shareholders in general meeting.

The Share Purchase Mandate may be renewed at each subsequent annual general meeting or other general meeting of the Company.

(c) Manner of Purchase

Purchases of Shares may be made on the SGX-ST ("**Market Purchases**") and/or otherwise than on the SGX-ST, in accordance with an equal access scheme (as defined in Section 76C(6) of the Companies Act) ("**Off-Market Purchases**").

Market Purchases refer to purchases of Shares by the Company effected on the SGX-ST through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:–

- (i) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:–
 - (A) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (B) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
 - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information:–

- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed share purchase;
 - (iv) the consequences, if any, of Share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (v) whether the Share purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;
 - (vi) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.
- (d) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price must not exceed:–

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:–

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day on which the purchases were made; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES

Any Share which is purchased by the Company is deemed cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as a treasury share.

(a) Cancelled Shares

Where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (i) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

(b) Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. According to the key provisions on treasury shares under the Companies Act:

(i) *Maximum Holdings*

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(ii) *Voting and other Rights*

The Company will not have the right to attend or vote at meetings and/or to receive any dividends in respect of treasury shares. However, the allotment of treasury shares as fully paid bonus shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) *Disposal and Cancellation*

The Company may dispose of treasury shares at any time in the following ways:

- (A) selling the treasury shares for cash;
- (B) transferring the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (C) transferring the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (D) cancelling the treasury shares; or
- (E) selling, transferring or otherwise using the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

5. SOURCE OF FUNDS AND FINANCIAL EFFECTS

The Companies Act permits the Company to purchase or acquire its Shares out of capital or distributable profits so long as the Company is solvent. For this purpose, the Company is solvent if at the date of the payment for the Shares purchased or acquired, the following conditions are satisfied:–

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company will use internal sources of funds, or a combination of internal resources and external borrowings, to finance purchases of its Shares.

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the net tangible asset value or earnings per Share as the resultant effect would depend on factors such as the aggregate numbers of Shares purchased, the purchase prices paid at the relevant times, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition, how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act, and the amounts (if any) borrowed by the Company to fund the purchases.

Where the purchase of Shares is made out of distributable profits, such purchase (including costs incidental to the purchase) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company, and a decline in the current ratios and shareholders' funds of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

For illustrative purposes only and on the basis of the following assumptions:–

- (a) that the purchase or acquisition by the Company of 13,856,397 Shares, representing 10% of its issued Shares as at the Latest Practicable Date, was made on 30 September 2022;
- (b) that, in the case of Market Purchases, the Company purchased or acquired Shares at the Maximum Price of \$0.04439 for each Share (being 105% of the Average Closing Price as at the Latest Practicable Date), and, in the case of Off-Market Purchases, the Company purchased or acquired Shares at the Maximum Price of \$0.05074 for each Share (being 120% of the Average Closing Price as at the Latest Practicable Date); and
- (c) that the purchase or acquisition of Shares by the Company, which required funds amounting to, in the case of Market Purchases, \$615,085, and in the case of Off-Market Purchases, \$703,074, was financed entirely using its internal sources of funds,

the financial effects of Share purchases by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 30 September 2022 (“FY2022”), are set out below.

Market Purchases

Scenario 1

Purchase or acquisition of 13,856,397 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares

| | Group | | Company | |
|--|-----------------------|----------------------|-----------------------|-------------------------------------|
| | Before Share Purchase | After Share Purchase | Before Share Purchase | After Share Purchase ⁽¹⁾ |
| As at 30 September 2022 | \$'000 | \$'000 | \$'000 | \$'000 |
| Share capital | 16,225 | 16,225 | 16,225 | 16,225 |
| Other reserve | (4,857) | (4,857) | – | – |
| Foreign exchange reserve | 15 | 15 | – | – |
| Accumulated losses | (4,028) | (4,028) | (1,623) | (1,623) |
| Treasury shares | – | (615) | – | (615) |
| Shareholders' funds | 7,355 | 6,740 | 14,602 | 13,987 |
| Net tangible assets | 7,172 | 6,557 | 14,602 | 13,987 |
| Current assets | 31,217 | 30,602 | 293 | 271 |
| Current liabilities | 33,326 | 33,326 | 5,261 | 5,261 |
| Working capital | (2,109) | (2,724) | (4,968) | (4,990) |
| Total liabilities | 40,552 | 40,552 | 5,261 | 5,854 |
| Cash and cash equivalents | 6,025 | 5,410 | 22 | – |
| Number of Shares ('000) | 138,564 | 124,708 | 138,564 | 124,708 |
| Financial Ratios | | | | |
| Net tangible assets per Share ⁽²⁾ (cents) | 5.18 | 4.73 | 10.54 | 11.22 |
| Earnings per Share (cents) | 1.15 | 1.28 ⁽³⁾ | (0.09) | (0.10) ⁽³⁾ |
| Gearing ratio ⁽⁴⁾ (times) | 5.51 | 6.02 | 0.36 | 0.42 |
| Current ratio ⁽⁵⁾ (times) | 0.94 | 0.92 | 0.06 | 0.05 |

Notes:

- (1) Assume borrowings of \$593,000 from its subsidiaries in connection with the purchase of Shares by the Company.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares.
- (3) Computed based on the total number of Shares of 124,707,581 following the Share purchase by the Company.
- (4) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (5) Current ratio equals current assets divided by current liabilities.

Scenario 2

Purchase or acquisition of 13,856,397 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and cancelled

| | Group | | Company | |
|--|-----------------------|----------------------|-----------------------|-------------------------------------|
| | Before Share Purchase | After Share Purchase | Before Share Purchase | After Share Purchase ⁽¹⁾ |
| As at 30 September 2022 | \$'000 | \$'000 | \$'000 | \$'000 |
| Share capital | 16,225 | 15,610 | 16,225 | 15,610 |
| Other reserve | (4,857) | (4,857) | – | – |
| Foreign exchange reserve | 15 | 15 | – | – |
| Accumulated losses | (4,028) | (4,028) | (1,623) | (1,623) |
| Treasury shares | – | – | – | – |
| Shareholders' funds | 7,355 | 6,740 | 14,602 | 13,987 |
| Net tangible assets | 7,172 | 6,557 | 14,602 | 13,987 |
| Current assets | 31,217 | 30,602 | 293 | 271 |
| Current liabilities | 33,326 | 33,326 | 5,261 | 5,261 |
| Working capital | (2,109) | (2,724) | (4,968) | (4,990) |
| Total liabilities | 40,552 | 40,552 | 5,261 | 5,854 |
| Cash and cash equivalents | 6,025 | 5,410 | 22 | – |
| Number of Shares, net of treasury shares ('000) | 138,564 | 124,708 | 138,564 | 124,708 |
| Financial Ratios | | | | |
| Net tangible assets per Share ⁽²⁾ (cents) | 5.18 | 4.73 | 10.54 | 11.22 |
| Earnings per Share (cents) | 1.15 | 1.28 ⁽³⁾ | (0.09) | (0.10) ⁽³⁾ |
| Gearing ratio ⁽⁴⁾ (times) | 5.51 | 6.02 | 0.36 | 0.42 |
| Current ratio ⁽⁵⁾ (times) | 0.94 | 0.92 | 0.06 | 0.05 |

Notes:

- (1) Assume borrowings of \$593,000 from its subsidiaries in connection with the purchase of Shares by the Company.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares.
- (3) Computed based on the total number of Shares of 124,707,581 following the Share purchase by the Company.
- (4) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (5) Current ratio equals current assets divided by current liabilities.

Off-Market Purchases

Scenario 3

Purchase or acquisition of 13,856,397 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares

| | Group | | Company | |
|--|-----------------------|----------------------|-----------------------|-------------------------------------|
| | Before Share Purchase | After Share Purchase | Before Share Purchase | After Share Purchase ⁽¹⁾ |
| As at 30 September 2022 | \$'000 | \$'000 | \$'000 | \$'000 |
| Share capital | 16,225 | 16,225 | 16,225 | 16,225 |
| Other reserve | (4,857) | (4,857) | – | – |
| Foreign exchange reserve | 15 | 15 | – | – |
| Accumulated losses | (4,028) | (4,028) | (1,623) | (1,623) |
| Treasury shares | – | (703) | – | (703) |
| Shareholders' funds | 7,355 | 6,652 | 14,602 | 13,899 |
| Net tangible assets | 7,172 | 6,469 | 14,602 | 13,899 |
| Current assets | 31,217 | 30,514 | 293 | 271 |
| Current liabilities | 33,326 | 33,326 | 5,261 | 5,261 |
| Working capital | (2,109) | (2,812) | (4,968) | (4,990) |
| Total liabilities | 40,552 | 40,552 | 5,261 | 5,942 |
| Cash and cash equivalents | 6,025 | 5,322 | 22 | – |
| Number of Shares ('000) | 138,564 | 124,708 | 138,564 | 124,708 |
| Financial Ratios | | | | |
| Net tangible assets per Share ⁽²⁾ (cents) | 5.18 | 4.67 | 10.54 | 11.15 |
| Earnings per Share (cents) | 1.15 | 1.28 ⁽³⁾ | (0.09) | (0.10) ⁽³⁾ |
| Gearing ratio ⁽⁴⁾ (times) | 5.51 | 6.10 | 0.36 | 0.43 |
| Current ratio ⁽⁵⁾ (times) | 0.94 | 0.92 | 0.06 | 0.05 |

Notes:

- (1) Assume borrowings of \$681,000 from its subsidiaries in connection with the purchase of Shares by the Company.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares.
- (3) Computed based on the total number of Shares of 124,707,581 following the Share purchase by the Company.
- (4) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (5) Current ratio equals current assets divided by current liabilities.

Scenario 4

Purchase or acquisition of 13,856,397 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and cancelled

| | Group | | Company | |
|--|-----------------------|----------------------|-----------------------|-------------------------------------|
| | Before Share Purchase | After Share Purchase | Before Share Purchase | After Share Purchase ⁽¹⁾ |
| As at 30 September 2022 | \$'000 | \$'000 | \$'000 | \$'000 |
| Share capital | 16,225 | 15,522 | 16,225 | 15,522 |
| Other reserve | (4,857) | (4,857) | – | – |
| Foreign exchange reserve | 15 | 15 | – | – |
| Accumulated losses | (4,028) | (4,028) | (1,623) | (1,623) |
| Treasury shares | – | – | – | – |
| Shareholders' funds | 7,355 | 6,652 | 14,602 | 13,899 |
| Net tangible assets | 7,172 | 6,469 | 14,602 | 13,899 |
| Current assets | 31,217 | 30,514 | 293 | 271 |
| Current liabilities | 33,326 | 33,326 | 5,261 | 5,261 |
| Working capital | (2,109) | (2,812) | (4,968) | (4,990) |
| Total liabilities | 40,552 | 40,552 | 5,261 | 5,942 |
| Cash and cash equivalents | 6,025 | 5,322 | 22 | – |
| Number of Shares ('000) | 138,564 | 124,708 | 138,564 | 124,708 |
| Financial Ratios | | | | |
| Net tangible assets per Share ⁽²⁾ (cents) | 5.18 | 4.67 | 10.54 | 11.15 |
| Earnings per Share (cents) | 1.15 | 1.28 ⁽³⁾ | (0.09) | (0.10) ⁽³⁾ |
| Gearing ratio ⁽⁴⁾ (times) | 5.51 | 6.10 | 0.36 | 0.43 |
| Current ratio ⁽⁵⁾ (times) | 0.94 | 0.92 | 0.06 | 0.05 |

Notes:

- (1) Assume borrowings of \$681,000 from its subsidiaries in connection with the purchase of Shares by the Company.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares.
- (3) Computed based on the total number of Shares of 124,707,581 following the Share purchase by the Company.
- (4) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (5) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out in this Section 5 are purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical FY2022 numbers and are in no way indicative of the Company's actual financial position or a forecast of the Company's financial figures.

The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase before execution. The Directors do not intend to exercise the Share Purchase Mandate up to the maximum limit if such exercise would materially and adversely affect the financial position of the Company or the Group. The Directors will also not undertake Share purchases if the borrowings required to finance the Share purchases will result in a negative or adverse effect on the financial position of the Company or the Group.

6. CATALIST RULES

Under the Catalist Rules, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than 5% above the average of the closing market prices of the shares over the last five (5) Market Days on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 3(d) above, conforms to this restriction.

The Catalist Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchases of the shares, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, and the cumulative number of shares purchased. Such announcement will be made in the form prescribed by the Catalist Rules.

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s half-year or full-year results, as the case may be, and ending on the date of announcement of the relevant results.

7. LISTING STATUS ON THE SGX-ST

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its issued Shares (excluding treasury shares and subsidiary holdings, if any) are in the hands of the public. The “public”, as defined in the Listing Manual, are persons other than the Directors, Chief Executive Officer, substantial shareholders and controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Catalist Rules) of such persons.

As at the Latest Practicable Date, there were approximately 65,807,333 issued Shares in the hands of the public (as defined above), representing approximately 47.49% of the total number of issued Shares of the Company. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate and holds the purchased Shares as treasury shares, the number of issued Shares in the hands of the public would be reduced to 51,950,936 Shares, representing approximately 37.49% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company. As at the Latest Practicable Date, the Company did not have any treasury shares.

In view of the foregoing, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without:–

- (a) affecting adversely the listing status of the Shares on the SGX-ST;
- (b) causing market illiquidity; or
- (c) affecting adversely the orderly trading of Shares.

8. TAX IMPLICATIONS

When a company purchases its own shares using its distributed profits or contributed capital, it will be regarded as any other disposal of shares by the shareholders from whom the shares are acquired.

For income tax purposes, whether or not the proceeds received by the Shareholders are taxable in the hands of the Shareholders who sell their Shares to the Company for which the purchases were made out of distributed profits or contributed capital will depend on whether such proceeds are receipts of an income or capital nature.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

9. IMPLICATIONS OF TAKE-OVER CODE

(a) Obligation to Make a Take-over Offer

If as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change in control, or as a result of such increase a Shareholder or group of Shareholders acting in concert obtain or consolidate control, it may in certain circumstances give rise to an obligation on the part of such Shareholder or Shareholders to make a take-over offer under Rule 14 of the Take-over Code.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase of Shares by the Company are set out in Appendix 2 of the Take-over Code ("**TOC Appendix 2**").

In relation to Directors and persons acting in concert with them, Rule 14 of the Take-over Code provides that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase of Shares by the Company:–

- (i) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or
- (ii) if they together hold between 30% and 50% of the Company's voting rights, their voting rights increase by more than 1% in any period of six (6) months.

Under TOC Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

(b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert: (i) a company with any of its directors; and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of 20% or more of the equity share capital of a company will be regarded as the test of associated company status.

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

As at the Latest Practicable Date, Ingenieur Holdings, the controlling Shareholder of the Company, together with persons acting in concert with it, namely, Lim Say Chin, Chew Chee Keong and Goi Chew Leng, who are Directors of the Company as well as directors and shareholders of Ingenieur Holdings (the "**Concert Party Group**"), collectively held approximately 52.44% of the voting rights in the Company. The Concert Party Group would not be obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of any purchase or acquisition of Shares by the Company under the Share Purchase Mandate.

Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

10. REPORTING REQUIREMENTS

Within 30 days of the passing of the Shareholders' resolution to approve the proposed Share Purchase Mandate, the Directors shall lodge a copy of such resolution with the Registrar of Companies (the "**Registrar**").

The Directors shall lodge with the Registrar a notice of share purchase within 30 days of a share purchase. Such notification shall include the date of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of the profit or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

11. SHARE PURCHASES IN THE PREVIOUS 12 MONTHS

No Shares had been purchased by the Company in the 12 months preceding the Latest Practicable Date pursuant to the existing Share Purchase Mandate.

12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and 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:

| | Direct Interest | | Deemed Interest | |
|--|------------------|------------------|------------------|------------------|
| | Number of Shares | % ⁽²⁾ | Number of Shares | % ⁽²⁾ |
| Directors | | | | |
| Lim Say Chin ⁽¹⁾ | – | – | 66,130,645 | 47.73 |
| Chew Chee Keong ⁽¹⁾ | 526,000 | 0.38 | 66,130,645 | 47.73 |
| Goi Chew Leng ⁽¹⁾ | 6,000,000 | 4.33 | 66,130,645 | 47.73 |
| Yee Kit Hong | 100,000 | 0.07 | – | – |
| Substantial Shareholders (other than Directors) | | | | |
| Ingenieur Holdings Pte. Ltd. | 66,130,645 | 47.73 | – | – |

Notes:

(1) Mr Lim Say Chin, 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 Pte. Ltd. by virtue of Section 7 of the Companies Act.

(2) The percentages of issued share capital are calculated based on 138,563,978 Shares in the capital of the Company as at the Latest Practicable Date.

13. DIRECTORS' RECOMMENDATION

Having fully considered the rationale for the renewal of the Share Purchase Mandate set out in this Appendix, the Directors believe that the renewal of the Share Purchase Mandate is in the best interest of the Company. The Directors recommend that Shareholders vote in favour of the resolution to approve the renewal of the Share Purchase Mandate to be proposed at the AGM.

14. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report of the Company, will be held on 30 January 2023 at 10.00 a.m. at 4 Kaki Bukit Avenue 1, #04-04 Kaki Bukit Industrial Estate, Singapore 417939, for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution relating to the renewal of the Share Purchase Mandate as set out in the Notice of AGM.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to the Annual Report of the Company in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 72 hours before the time fixed for the AGM. The completion and lodgment of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the AGM.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 4 Kaki Bukit Avenue 1, #04-04 Kaki Bukit Industrial Estate, Singapore 417939 during normal business hours from the date of this Appendix up to the date of the AGM:

- (a) the Annual Report of the Company for the financial year ended 30 September 2022; and
- (b) the Constitution.

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.

Yours faithfully

For and on behalf of the Board of Directors of
ACROMETA GROUP LIMITED

Lim Say Chin
Executive Chairman and Chief Executive Officer