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

INTERNAL RESTRUCTURING OF INTEREST HELD IN INDIRECT SUBSIDIARY TO A WHOLLY OWNED SUBSIDIARY AND THE NOVATION OF DEBT OWED BY INDIRECT SUBSIDIARY TO A WHOLLY OWNED SUBSIDIARY

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1. INTRODUCTION

1.1 The Board of Directors of AcroMeta Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Group intends to undertake an internal restructuring with respect to its group companies involving (a) Acromec Engineers Pte. Ltd. ("**Acromec Engineers**"), (b) Acropower Pte. Ltd. ("**AcroPower**") and Neo Tiew Power Pte. Ltd. ("**Neo Tiew**").

1.2 As at the date of this announcement, the Company owns 100% of Acromec Engineers, 56% of AcroPower, which, in turn, owns 100% of Neo Tiew. The other 44% shareholding interest in AcroPower not owned by the Company is owned by unrelated parties.

1.3 Pursuant to the internal restructuring, the Company has entered into the following agreements: -

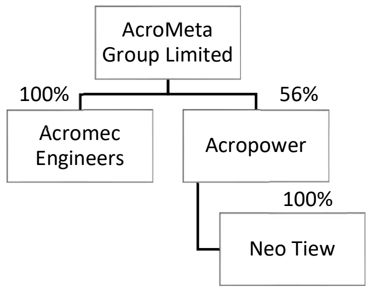
(a) a novation agreement dated 25 September 2023 (the "**Novation Agreement**") with Acromec Engineers and Neo Tiew, under which the Company will assign all debts owed to it directly by Neo Tiew (the "**Neo Tiew Debt**") to Acromec Engineers in full and final settlement of any and all debts owed by the Company to Acromec Engineers (the "**Acromec Engineers Debt**"). As at 31 March 2023, Neo Tiew owes the Company S$5,045,992, and the Company owes Acromec Engineers S$5,219,143.

(b) an instrument of transfer of shares dated 25 September 2023 ("**Instrument of Transfer**"), under which the Company will transfer to Acromec Engineers the 40,000 shares it holds in AcroPower (representing 56% of the total issued and paid-up share capital of AcroPower) (the "**AcroPower Shares**") to Acromec Engineers for a total consideration of S$1.00.

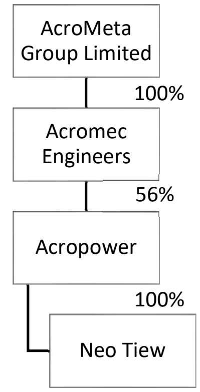
1.4 The assignment by the Company of the Neo Tiew Debt to Acromec Engineers in full and final settlement of the Acromec Engineers Debt and the transfer of the AcroPower Shares to Acromec Engineers are part of an internal restructuring as referred to above (the "**Proposed Internal Restructuring**").

1.5 The effect of the Proposed Internal Restructuring is that following completion, the Company will no longer hold any direct shareholding interest in AcroPower. An illustration of the Group's organisation structure, pre- and post- the Proposed Internal Restructuring is illustrated below: -

Pre-restructuring



Post-restructuring



1.6 Following the assignment of the Neo Tiew Debt to Acromec Engineers under the Novation Agreement in full and final settlement of the Acromec Engineers Debt, the Company will no longer owe Acromec Engineers any amount under the Acromec Engineers Debt, and Acromec Engineers will hold the Neo Tiew Debt as a direct creditor of the Neo Tiew Debt. Notwithstanding the differences in amounts in the Neo Tiew Debt and the Acromec Engineers Debt, there is no impact on the consolidated financial position of the Group as the differences are eliminated at the Group level.

2. INFORMATION ON ACROMEC ENGINEERS, ACROPOWER AND NEO TIEW

2.1 <u>Acromec Engineers</u>

The principal business activities of Acromec Engineers are in the provision of specialist engineering services in the field of controlled environments.

Acromec Engineers has a paid-up share capital of S$8,000,000 and is wholly owned by the Company.

Under the Acromec Engineers Debt, the Company owes Acromec Engineers a total principal sum of S$5,219,143 as at 31 March 2023. The Acromec Engineers Debt is unsecured, interest-free and repayable on demand. The majority of the Acromec Engineer Debt had been for the Company to, in turn, lend to Neo Tiew.

As of 31 March 2023 (1H FY2023), Acromec Engineers had a net tangible asset of S$10,389,914.

2.2 <u>AcroPower</u>

The principal business activities of AcroPower are in the provision of services to generate energy from waste ("**Renewable Energy Business**").

AcroPower has a paid-up share capital of S$373,616, and the Company holds an effective 56% interest in AcroPower.

AcroPower, in turn, owns 100% of Neo Tiew, the operating subsidiary of AcroPower in the Renewable Energy Business.

Under the Neo Tiew Debt, Neo Tiew owes the Company directly a principal sum of S$4,740,000 and S$305,992 in interest as at 31 March 2023. The Neo Tiew Debt is unsecured, carries an interest of 5% per annum and matures in 5 years from the date of its drawdown, which was in May 2027.

As of 1H FY2023, Neo Tiew had a net tangible liability of S$2,361,574. The effective 56% of the share capital of AcroPower the Company owns has a net tangible liability value of S$1,322,481, based on the unaudited consolidated financial statements of the Group ended on 31 March 2023 ("**1H FY2023 Financial Statements**").

3. RATIONALE OF THE INTERNAL RESTRUCTURING

3.1 The Company has carried out the Internal Restructuring for the following reasons: -

- Neo Tiew has substantially been funded by the loans extended by Acromec Engineer to the Company and then to Neo Tiew. This restructuring will eliminate the intercompany loan.
- Neo Tiew and AcroPower collectively also directly owe Acromec Engineers another S$4,682,731. Consolidating all the loans and shareholding under Acromec Engineers will make Acromec Engineers the largest creditor and effective shareholder of Neo Tiew and allow Acromec Engineers to review the business of Neo Tiew going forward.

There is no impact on the consolidated financial position of the Group.

3.2 As stated above, on completion of the Internal Restructuring, the Company will no longer have any direct shareholding interest in AcroPower, and Acromec Engineers will own an effective 56% in the share capital of AcroPower, which, in turn, owns 100% of Neo Tiew. The Company will no longer owe Acromec Engineers the Acromec Engineers Debt, and the Neo Tiew Debt will be owed by Neo Tiew directly to Acromec Engineers.

3.3 As this is an internal restructuring, there is no net gain or loss on disposal by the Group of the AcroPower Shares.

4. RELATIVE FIGURES UNDER CATALIST RULE 1006 OF THE LISTING MANUAL

4.1 The relative figures in relation to the Proposed Internal Restructuring have been computed on the applicable basis set out in Rule 1006 of the Catalist Rules and based on the figures reported for 1H FY2023 Financial Statements (being the latest announced consolidated unaudited accounts of the Company) are as follows:

Listing Rule	Bases	Relative Figures (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable(1)
1006(b)	The net loss attributable to the assets disposed of, compared with the Group's net profits.	Not applicable(2)
1006(c)	The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares, excluding treasury shares.	0%(3)
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

Notes:

(1) There are no assets to be disposed of by way of the internal restructuring.

(2) There are no assets to be disposed of by way of the internal restructuring.

(3) The Company's market capitalisation was determined based on 277,127,956 shares issued as of 31 March 2023 (excluding treasury shares) and the volume-weighted average price per share on the SGX-ST on the date of the last full market day preceding the date of the Instrument of Transfer, being 19 September 2023, of S$0.036. There was no transactions recorded between 20 September 2023 and 22 September 2023. 22 September 2023 was the market day preceding the date of the Instrument of Transfer.

4.2 None of the relative figures computed above on the applicable basis set out in Rule 1006 of the Catalist Rules constitutes a Disclosable or Major Transaction as defined under Catalist Rules 1010 and 1014.

5. FINANCIAL EFFECTS OF THE INTERNAL RESTRUCTURING

5.1 Bases and Assumptions

The pro forma financial effects of the Internal Restructuring have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 September 2022 and are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group following Completion. The pro forma financial effects have also been prepared based on, inter alia, the following assumptions:

(a) the Internal Restructuring was effected on 30 September 2022 ("**FY 2022**"), being the end of the most recently completed financial year of the Group, for illustrating the financial effects on the consolidated net tangible assets of the Group; and

(b) the Internal Restructuring was effected on 1 October 2021, being the beginning of the most recently completed financial year of the Group, i.e., FY 2022, for illustrating the financial effects on the consolidated earnings of the Group.

Net Tangible Assets ("**NTA**")

	Before the Completion of the Internal Restructuring	**After the Completion of the Internal Restructuring on 30 September 2022**	**After the Completion of the Internal Restructuring on 1 October 2021**
NTA attributable to Shareholders (S$'000)	7,172	7,172	7,172(1)
Total number of issued shares (excluding treasury shares)	138,563,978	138,563,978	138,563,978
NTA per share attributable to Shareholders (S$ cents)	5.18	5.18	5.18

(1) At the Group level, there will be no impact on the net tangible assets as the assignment of the intercompany loans under the Novation Agreement will not result in a change of liabilities at the Group level.

5.2 Earnings Per Share ("**EPS**")

	Before the Completion of the Internal Restructuring	**After the Completion of the Internal Restructuring on 30 September 2022**	**After the Completion of the Internal Restructuring on 1 October 2021**
Net profit attributable to Shareholders (S$'000)	1,600	1,600	1,600
Total number of issued shares (excluding treasury shares)	138,563,978	138,563,978	138,563,978
Earnings per share ("**EPS**") (S$ cents)	1.15	1.15	1.15

5.3 <u>Value of Neo Tiew</u>

Based on the 1H FY2023 Financial Statements, Neo Tiew has a net tangible liability value of S$2,361,574, and the AcroPower Shares that are the subject of the proposed disposal / transfer to Acromec Engineers, therefore, have a net tangible liability value of S$3,548,684.

The Proposed Internal Restructuring of the AcroPower Shares is not expected to result in any net gain or loss (before deducting related expenses), i.e., Neo Tiew will be held by Acromec Engineers indirectly through AcroPower following the completion of the Proposed Internal Restructuring.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN THE INTERNAL RESTRUCTURING

6.1 None of the Directors (other than in his capacity as a director) and controlling shareholders of the Company has any interest, direct or indirect, in the Internal Restructuring, other than through their respective shareholding interests in the Company, if any.

6.2 No person is proposed to be appointed a director of the Company or any of its subsidiaries in connection with the Proposed Internal Restructuring. Accordingly, no service contract will be entered into in connection with the Proposed Internal Restructuring.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

7.2 Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in its proper form and context.

8. TRADING CAUTION

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the Novation Agreement and the Instrument of Transfer will be made available for inspection during normal business hours of the Company for a period of three (3) months from the date of this announcement at the Company's registered office address at 4 Kaki Bukit Avenue 1, #04-04 Kaki Bukit Industrial Estate Singapore 417939.

BY ORDER OF THE BOARD

Lim Say Chin
Executive Director and Chief Executive Officer

25 September 2023

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

The contact person for the Sponsor is Mr Jerry Chua (Tel: (65) 6241 6626), at 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906.