

## APPENDIX 1 DATED 10 JANUARY 2025

**THIS APPENDIX 1 IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS APPENDIX 1 OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

This Appendix 1 is circulated to the shareholders of AcroMeta Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) together with the Company’s annual report for the financial year ended 30 September 2024 (the “**Annual Report**”). Its purpose is to provide shareholders of the Company with information relating to the Proposed Transactions (as defined herein) to be tabled at the 2025 AGM (as defined herein) to be held on 27 January 2025 at 10.00 a.m. at NUSS Mandalay Guild House, Adam Bukit and Orchard Suite at 2 Mandalay Road, Singapore 308206.

The ordinary resolutions proposed to be passed in respect of the Proposed Transactions are set out as Ordinary Resolutions 9 and 10 in the Notice of AGM (as defined herein) enclosed in the Annual Report.

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company (“**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix 1, the Notice of AGM and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix 1, Notice of AGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Appendix 1, Notice of AGM and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Appendix 1 has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, W Capital Markets Pte Ltd (the “**Sponsor**”). This Appendix 1 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 Appendix 1, including the correctness of any statements or opinions made, or reports contained in this Appendix 1.

The contact person for the Sponsor is Ms Alicia Chang, 65 Chulia Street, #43-01, OCBC Centre, Singapore 049513, telephone (65) 6513 3525.



### APPENDIX 1 TO THE NOTICE OF AGM IN RELATION TO

**(1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

**(2) THE PROPOSED DIVERSIFICATION**

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## DEFINITIONS

In this Appendix 1, the following definitions apply throughout unless otherwise stated:-

- “2025 AGM”** : the annual 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 27 January 2025 at 10.00am.
- “ACRA”** : the Accounting and Corporate Regulatory Authority of Singapore
- “Act” or “Companies Act”** : the Companies Act 1967 of Singapore, as may be amended or modified from time to time
- “AGM”** : the annual general meeting of the Company
- “Annual Report”** : the annual report of the Company for FY2024
- “Appendix 1”** : this Appendix 1 to the Notice of AGM dated 10 January 2025
- “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 or his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a Substantial or 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
- “Audit Committee”** : the audit committee of the Company as at the date of this Appendix 1 or from time to time, as the case may be
- “Board”** : the Board of Directors of the Company for the time being
- “Business Day”** : a day other than a Saturday, a Sunday, or a gazetted

	:	public holiday in Singapore
<b>“Catalist”</b>	:	the Catalist board of the SGX-ST
<b>“Catalist Rules”</b>	:	the SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
<b>“CDP”</b>	:	the Central Depository Pte Limited
<b>“Constitution”</b>	:	the constitution of the Company, as may be amended or modified from time to time
<b>“control”</b>	:	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
<b>“Controlling Shareholder”</b>	:	a person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or</li> <li>(b) in fact exercises control over a company</li> </ul>
<b>“Company”</b>	:	AcroMeta Group Limited
<b>“CPF”</b>	:	Central Provident Fund
<b>“Director(s)”</b>	:	Director(s) of the Company for the time being
<b>“EPS”</b>	:	Earnings Per Share
<b>“Existing Business”</b>	:	has the meaning ascribed to it in Section 3.1 of this Appendix 1
<b>“Financial Year”</b>	:	each period of 12 months or more or less than 12 months, at the end of which the balance of accounts of the relevant company are prepared and audited, for the purpose of laying the same before an annual general meeting of the relevant company
<b>“FY2024”</b>	:	the Group’s financial year ended 30 September 2024
<b>“Group”</b>	:	the Company and its subsidiaries, collectively
<b>“Latest Practicable Date”</b>	:	26 December 2024, being the latest practicable date prior to the issue of this Appendix 1

<b>“Market Day”</b>	:	a day on which the SGX-ST is open for trading in securities
<b>“New Business”</b>	:	the proposed business of designing, manufacturing, marketing and distribution of lifestyle-orientated and audio-centric electronics, more particulars of which are set out in Section 3 of this Appendix 1
<b>“Notice of AGM”</b>	:	the notice of the 2025 AGM
<b>“NTA”</b>	:	Net Tangible Assets
<b>“Proposed Diversification”</b>	:	the proposed diversification of the Existing Business of the Group to include the New Business
<b>“Proposed Renewal of the Share Purchase Mandate”</b>	:	the proposed renewal of the Share Purchase Mandate
<b>“Proposed Transactions”</b>	:	the Proposed Renewal of Share Purchase Mandate and the Proposed Diversification
<b>“SFA”</b>	:	the Securities and Futures Act 2001 of Singapore, as may be amended or modified from time to time
<b>“SGXNet”</b>	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Purchase Mandate”</b>	:	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 1 and the rules and regulations set forth in the Companies Act and the Catalist Rules
<b>“Shares”</b>	:	ordinary shares in the capital of the Company and “Share” shall be construed accordingly
<b>“Shareholders”</b>	:	registered holder(s) of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares
<b>“Substantial Shareholder”</b>	:	a person who has an interest (directly or indirectly) in 5% or more of the total issued share 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”	:	the Shares held in treasury by the Company
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%” or “per cent”	:	Per centum or percentage

Unless the context otherwise requires:

- (a) the terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA;
- (b) the terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Section 5 of the Companies Act;
- (c) words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Unless the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;
- (d) any reference in this Appendix 1 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, the SFA, the Catalist Rules or any statutory or regulatory modification thereof and not otherwise defined in this Appendix 1 shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless the context otherwise requires;
- (e) any reference to a time of a day in this Appendix 1 shall be a reference to Singapore time unless otherwise stated;
- (f) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix 1 may not be an arithmetic aggregation of the figures that precede them; and
- (g) the headings in this Appendix 1 are inserted for convenience only and shall be ignored in construing this Appendix 1.

## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Appendix 1 are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly,

actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

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## LETTER TO SHAREHOLDERS

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

### Directors

Mr. Mahtani Bhagwandas (*Non-Executive Chairman*)  
Mr. Lim Say Chin (*Executive Director and Chief Executive Officer*)  
Mr. Guo Jinyao Keith (*Executive Director*)  
Mr. Toh Ker How Lawrence (*Executive Director*)  
Mr. Cheong Keng Chuan, Alfred (*Lead Independent Director*)  
Mr. Chan Tze Choong Eric (*Independent Director*)

### Registered Office:

6001 Beach Road  
#16-03  
Golden Mile Tower  
Singapore 199589

10 January 2025

To: The Shareholders of the Company

Dear Sir/Madam

### (1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

### (2) THE PROPOSED DIVERSIFICATION

#### 1. INTRODUCTION

- 1.1 The Directors refer to the Notice of AGM dated 10 January 2025 accompanying the Annual Report of the Company for FY2024, and the ordinary resolutions set out in the Notice of AGM in relation to:
- (a) the Proposed Renewal of the Share Purchase Mandate; and
  - (b) the Proposed Diversification.
- 1.2 The purpose of this Appendix 1 is to provide Shareholders with information relating to the Proposed Transactions to be tabled at the 2025 AGM.
- 1.3 This Appendix 1 has been prepared solely for the purpose set out herein and may not be relied on by any persons (other than the Shareholders) nor for any other purpose.
- 1.4 The Company has appointed Nine Yards Chambers LLC as the legal adviser to the Company for the Proposed Transactions.



## **2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

- 2.1 Shareholders approved the renewal of the Share Purchase Mandate at the AGM of the Company held on 30 January 2024 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 27 January 2025 at 10 a.m..

Accordingly, the Directors propose to seek the approval of Shareholders for the 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 1. The Sponsor has reviewed this Appendix 1 in accordance with Rules 226(2)(b) and 753(2) of the Catalist Rules.

### **2.2 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.

### **2.3 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 Renewal of the 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 339,587,956 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 33,958,795 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 a general meeting.

The Share Purchase Mandate may be renewed at each subsequent annual general meeting or other general meeting(s) 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 such 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 provide 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 purchases;

- (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 Days 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.

## 2.4 Status of purchases Shares under the Share Purchase Mandate

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.

## 2.5 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 Renewal of the 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 33,958,795 Shares, representing 10% of its issued Shares as at the Latest Practicable Date, was made on 30 September 2024;
- (b) that, in the case of Market Purchases, the Company purchased or acquired Shares at the Maximum Price of S\$0.0273 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 S\$0.0312 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, S\$927,075, and in the case of Off-Market Purchases, S\$1,059,514, 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 FY2024, are set out below.

### **Market Purchases**

#### **Scenario 1**

***Purchase or acquisition of 33,958,795 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares***

**Group**

**Company**

	<b>Before Share Purchase</b>	<b>After Share Purchase</b>	<b>Before Share Purchase</b>	<b>After Share Purchase (1)</b>
<b>As at 30 September 2024</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Share capital	20,511	20,511	20,511	20,511
Other reserve	203	203	-	-
Foreign exchange reserve	-	-	-	-
Accumulated losses	(14,098)	(14,098)	14,158	14,158
Treasury shares	-	(927)	-	(927)
Shareholders' funds	6,617	5,690	6,354	5,427
Net tangible assets	6,434	5,507	6,354	5,427
Current assets	14,371	13,444	4,687	4,286
Current liabilities	8,272	8,272	591	591
Working capital	6,099	5,172	4,096	3,695
Total liabilities	9,360	9,360	591	1,117
Cash and cash equivalents	881	(46)	401	-
Number of Shares ('000)	339,588	305,629	339,588	305,629
<b>Financial Ratios</b>				
Net tangible assets per Share <sup>(2)</sup> (cents)	1.89	1.80	1.87	1.78
(Losses)/Earnings per Share (cents)	0.55	0.61 <sup>(3)</sup>	0.55	0.61 <sup>(3)</sup>
Gearing ratio <sup>(4)</sup> (times)	1.41	1.64	0.09	0.21
Current ratio <sup>(5)</sup> (times)	1.74	1.63	7.93	7.25

**Notes:**

- (1) Assume borrowings of S\$526,000 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 as at the Latest Practicable Date and adjusted for the effect of the Share purchases.
- (3) Computed based on the total number of 305,629,161 Shares 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 33,958,795 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 <sup>(1)</sup>
As at 30 September 2024	\$'000	\$'000	\$'000	\$'000
Share capital	20,511	19,584	20,511	19,584
Other reserve	203	203	-	-
Foreign exchange reserve	-	-	-	-
Accumulated losses	(14,098)	(14,098)	14,158	14,158
Treasury shares	-	-	-	-
Shareholders' funds	6,617	5,690	6,354	5,427
Net tangible assets	6,434	5,507	6,354	5,427
Current assets	14,371	13,444	4,687	4,286
Current liabilities	8,272	8,272	591	591
Working capital	6,099	5,172	4,096	3,695
Total liabilities	9,360	9,360	591	1,117
Cash and cash equivalents	881	(46)	401	-
Number of Shares ('000)	339,588	305,629	339,588	305,629
<b>Financial Ratios</b>				
Net tangible assets per Share <sup>(2)</sup> (cents)	1.89	1.80	1.87	1.78
(Losses)/Earnings per Share (cents)	0.55	0.61 <sup>(3)</sup>	0.55	0.61 <sup>(3)</sup>
Gearing ratio <sup>(4)</sup> (times)	1.41	1.64	0.09	0.22
Current ratio <sup>(5)</sup> (times)	1.74	1.63	7.93	7.25

**Notes:**

- (1) Assume borrowings of S\$526,000 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 as at the Latest Practicable Date and adjusted for the effect of the Share purchases.
- (3) Computed based on the total number of 305,629,161 Shares 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 33,958,795 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares***

	<b>Group</b>		<b>Company</b>	
	<b>Before Share Purchase</b>	<b>After Share Purchase</b>	<b>Before Share Purchase</b>	<b>After Share Purchase<sup>(1)</sup></b>
<b>As at 30 September 2024</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Share capital	20,511	20,511	20,511	20,511
Other reserve	203	203	-	-
Foreign exchange reserve	-	-	-	-
Accumulated losses	(14,098)	(14,098)	14,158	14,158
Treasury shares	-	(1,060)	-	(1,060)
Shareholders' funds	6,617	5,557	6,354	5,294
Net tangible assets	6,434	5,374	6,354	5,294
Current assets	14,371	13,311	4,687	4,286
Current liabilities	8,272	8,272	591	591
Working capital	6,099	5,039	-	3,695
Total liabilities	9,360	9,360	591	1,250
Cash and cash equivalents	881	(179)	401	-
Number of Shares ('000)	339,588	305,629	339,588	305,629
<b>Financial Ratios</b>				
Net tangible assets per Share <sup>(2)</sup> (cents)	1.89	1.76	1.87	1.73
(Losses)/Earnings per Share (cents)	0.55	0.61 <sup>(3)</sup>	0.55	0.61 <sup>(3)</sup>
Gearing ratio <sup>(4)</sup> (times)	1.41	1.68	0.09	0.24
Current ratio <sup>(5)</sup> (times)	1.74	1.61	7.93	7.25

**Notes:**

- (1) Assume borrowings of S\$659,000 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 as at the Latest Practicable Date and adjusted for the effect of the Share purchases.
- (3) Computed based on the total number of 305,629,161 Shares 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 33,958,795 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 <sup>(1)</sup>
<b>As at 30 September 2024</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Share capital	20,511	19,451	20,511	19,451
Other reserve	203	203	-	-
Foreign exchange reserve	-	-	-	-
Accumulated losses	(14,098)	(14,098)	14,158	14,158
Treasury shares	-	-	-	-
Shareholders' funds	6,617	5,557	6,354	5,294
Net tangible assets	6,434	5,374	6,354	5,294
Current assets	14,371	13,311	4,687	4,286
Current liabilities	8,272	8,272	591	591
Working capital	6,099	5,039	4,096	3,695
Total liabilities	9,360	9,360	591	1,250
Cash and cash equivalents	881	(179)	401	-
Number of Shares ('000)	339,588	305,629	339,588	305,629
<b>Financial Ratios</b>				
Net tangible assets per Share <sup>(2)</sup> (cents)	1.89	1.76	1.87	1.73
(Losses)/Earnings per Share (cents)	0.55	0.61 <sup>(3)</sup>	0.55	0.61 <sup>(3)</sup>
Gearing ratio <sup>(4)</sup> (times)	1.41	1.68	0.09	0.24

Current ratio <sup>(5)</sup> (times)	1.74	1.61	7.93	7.25
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**Notes:**

- (1) Assume borrowings of S\$659,000 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 as at the Latest Practicable Date and adjusted for the effect of the Share purchases.
- (3) Computed based on the total number of 305,629,161 Shares 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 2.5 are purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical FY2024 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.

## 2.6 **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 2.3(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 Renewal of the 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.

## 2.7 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 183,448,859 issued Shares in the hands of the public (as defined above), representing approximately 54.02% 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 149,490,064 Shares, representing approximately 44.02% 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.

## 2.8 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.**

## 2.9 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 and to the best of the Director's knowledge, there are no persons who will become obliged to make a mandatory offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of its issued Shares (excluding treasury shares and subsidiary holdings).

**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.**

## 2.10 Reporting Requirements

Within 30 days of the passing of the Shareholders' resolution to approve the Proposed Renewal of the 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.

## 2.11 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.

## 3. THE PROPOSED DIVERSIFICATION

### 3.1 Introduction

The principal activity of the Company is that of investment holding and is primarily a Singapore-based established specialist in maintaining and servicing controlled environments and commercial air-conditioning systems (the “**Existing Business**”). With deep expertise in handling facilities requiring precise environmental conditions, the Company caters to BSL-3 laboratories, cleanrooms, and other specialised spaces. The Company provides end-to-end maintenance services, including mechanical, electrical, and process works, ensuring optimal performance of controlled environments across Singapore. The Company’s capabilities also extend to the installation and maintenance of commercial air-conditioning systems for prestigious properties such as serviced apartments, hotels, commercial offices, and shopping malls. It’s diverse clientele includes healthcare institutions, government agencies, research and development organisations, multinational corporations, tertiary educational institutions, and businesses in the pharmaceutical, semiconductor, and engineering sectors.

As announced in the Company’s circular dated 6 May 2024 and its announcements dated 11 June 2024 and 20 December 2024, the Group has completed divestment of its interests the specialist engineering services in the field of controlled environments sector, previously held through its 100% interest in Acromec Engineers Pte Ltd (“**Acromec Engineers**”).

Further, and as announced in the Company’s circular dated 8 November 2024 and its announcements dated 21 October 2024 and 23 December 2024, the Group has completed divestment of its interests in the co-working laboratory space business, previously held through its 70% interest in Life Science Incubator Holdings Pte. Ltd (“**LSI Holdings**”).

The Company proposes to expand its current core business to include the activities of designing, manufacturing, branding and distribution of lifestyle-orientated and audio-centric electronics (“**New Business**”). The New Business is centred on the “Musicverse” umbrella of brands of audio products, comprising of sub-brands with Artificial Intelligence (AI) integrations, offering high-end audio products to consumers and professionals. The New Business offers consumer audio products for home, automotive and gaming. The New Business also offers professional grade sound solutions for music festivals and virtual concerts. Further details of on the proposed diversification of the Existing Business to include the New Business (“**Proposed Diversification**”) are set out in Section 3.2 of this Appendix 1.

It is envisaged that the Proposed Diversification will change the existing risk profile of the Company as it is different from the Group’s Existing Business. Accordingly, the Company is seeking Shareholders’ approval at the 2025 AGM for the Proposed Diversification.

### 3.2 The New Business

The Group incorporated AcroMeta Lifestyle Pte. Ltd. (“**AcroMeta Lifestyle**”) as a wholly-owned subsidiary of the Company. Acrometa Lifestyle is to undertake the New Business, which designs, manufacture, markets and distributes AI-integrated high fidelity audio products to consumers.



AcroMeta Lifestyle's core strategy is centered on the "Musicverse" umbrella brand and to house a portfolio of sub-brands, each catering to specific market needs, and to holistically cater to a wide spectrum of consumers. These audio products will integrate AI to provide consumers new ways and to interact with audio products.

The Group has observed a potential growth in the global audio and consumer electronics market and is keen to meet this increased demand for high-quality and lifestyle-integrated products. AcroMeta Lifestyle will be in charge of product design and AI integration, and partner with manufacturing facilities to meet its manufacturing needs. AcroMeta Lifestyle will also be responsible for marketing and increasing brand awareness of the "Musicverse" brand, through strategic marketing campaigns and influencer collaborations.

The New Business intends to leverage on multi-channel distribution chains, such as e-commerce platforms and partnerships with lifestyle retailers in Asia, Europe and North America.

The Group does not plan to restrict the New Business to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures, partnerships, cooperation and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Business as and when the opportunity arises.

The decision on whether an investment should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the respective business, amount of investment required and risks associated with such an investment, nature of expertise required and economic conditions, taking into account the opportunities available.

Subject to Shareholders' approval for the Proposed Diversification at the 2025 AGM, should the Company pursue any of such business opportunities under the New Business, such business activities shall constitute part of the ordinary course of business of the Company (where it does not change the risk profile of the Company), and the Company will make the requisite announcements to update Shareholders in accordance with the requirements of the Catalist Rules.

### **3.3 Rationale for the Proposed Diversification**

The Group has actively sought out opportunities to improve Shareholders' long-term return. As part of the Group's strategy to broaden its stream of revenue and income, the Group intends to dedicate its resources to pursue the New Business.

This expansion from the Existing Business is expected to augment the Group's foothold as an established specialist engineering service provider and an extension of its core capabilities in the field of controlled environments.

The Board has observed the rise of Artificial Intelligence (AI) in consumer electronics and has identified a space in AI-integrated audio products for the home and automobiles. The emphasis on lifestyle products worldwide presents a good opportunity for the Group to

be a leader in AI-integrated audio products, and to build a brand for long-term value creation.

AI-integrated audio products will complement and ride on the global wave of smart homes and smart vehicles, as well as the keen interest in the developments of use of AI globally. The New Business also allows the Group to market its products to a wide audience globally. This benefits the Group by expanding its geographical reach.

The Board is supportive of the expansion of the Existing Business with the Proposed Diversification into the New Business for the following principal reasons:

(a) Additional and recurrent revenue streams

The Group is of the view that the New Business is expected to provide additional and recurrent revenue streams for the Group. The Group will venture into the New Business prudently, with a view of enhancing shareholder value over the long-term and achieving long-term growth.

(b) The New Business leverages of the worldwide growth and demand in artificial intelligence products and presents an opportunity for the Group to capture part of this growth

The Group has identified that the audio aspect of the smart homes and smart vehicles have often been overlooked. The New Business allows the Group to enter this overlooked segment and to establish and build a brand name for AI-integrated audio products, which will allow for sustained growth and revenue. The New Business also allows the Group to have a presence beyond local shores, enabling AcroMeta Lifestyle's global distribution networks to reach out to a wide audience of consumers.

### 3.4 Requirements under the Catalist Rules

Upon the approval by Shareholders of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may possibly, in its ordinary course of business, enter into transactions relating to the New Business which do not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders' approval as and when potential transactions relating to the New Business arise, even where they cross the threshold of a "major transaction" as defined under the Catalist Rules. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules (a) exceeds 75% but is less than 100% (for an acquisition) or (b) exceeds 50% (for a disposal or the provision of financial assistance) (each a "**Major Transaction**"), and must be made conditional upon approval by shareholders in a general meeting. As set out in Practice Note 10A of

the Catalist Rules, an acquisition that is regarded to be in, or in connection with, the ordinary course of an issuer's business, is not subject to the requirements under Chapter 10 of the Catalist Rules (except for Part VIII on very substantial acquisitions or reverse takeovers). An acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if: (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile.

For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained:

- (a) when the Group enters into its first Major Transaction involving the New Business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the New Business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval;
- (b) Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the Group's ordinary course of business and which results in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company. Such acquisitions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting;
- (c) Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such transactions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting; and
- (d) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such a transaction and the Company will comply with the provisions of Chapter 9 of the Catalist Rules. In particular, pursuant to Rule 905 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 3% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 3% of the Group's latest audited NTA, the Group must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. Pursuant to Rule 906 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 5% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 5% of the Group's latest audited NTA, the Group must obtain shareholder approval for the interested person transaction.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

The Company will be required to comply with any applicable and prevailing Catalyst Rules as amended or modified from time to time.

### 3.5 **Management of the New Business**

It is currently envisaged that the New Business and related management will be spearheaded by the Executive Directors of the Company and that they will be responsible for overseeing the entire operations of the New Business.

The Board will also rely on the expertise and experience of Mr Guo Jinyao Keith (“**Mr. Guo**”), who, in joining the Board on 1 August 2024, brought with him a wealth of experience from his extensive career in the lifestyle audio and connected automotive industry. Mr Guo is also a director of AcroMeta Lifestyle, and will be spearheading the New Business. Mr. Guo has held his current position as Director of Operations at Epsilon Inc. since 2016. Prior to this, he served as Business Development Manager (APAC) at Harman International from 2013 to 2016. With extensive experience and expertise in the lifestyle and automotive speakers industry, Mr. Guo has demonstrated strong capabilities in product development, lifecycle management, and successfully introducing new products into the eAPAC market to meet the growing demands of consumers. His notable achievements include driving substantial sales revenue growth, establishing new business networks in previously untapped geographic regions, expanding distribution channels, and appointing new distributors for the companies he has been a part of.

The Group is likely to enter into joint ventures and foster partnerships with various other third parties in the industry to assist it in undertaking the New Business more effectively and efficiently. Such partnerships may be on a case by case basis or on a long-term basis. Where necessary, work may be contracted or sub-contracted to third parties who have expertise in the relevant area(s) in relation to the projects concerned. In selecting its partners, the Company will take into account the specific expertise and competencies necessary for the project(s) in question and the experience, track record and financial standing of the party and/or parties concerned.

The Group will carefully monitor developments and progress in the New Business. Where necessary, it will strengthen the management and execution team of the New Business with additional candidates with the credentials and experience relevant to the proposed New Business. The Group will also continually evaluate the manpower and expertise required for the New Business and will, as and when required, engage suitably qualified external personnel, consultants, industry experts and professionals for the New Business. In making decisions, the Board and senior management will seek the advice of these reputable external consultants and experts where necessary and appropriate. Where necessary, work may be outsourced to these third parties who have expertise in the relevant area.

### 3.6 **Funding for the New Business**

The Proposed Diversification will be funded primarily through internal funds as well as secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments and/or borrowings from financial institutions.

The Company will remain prudent and take into account the financial condition of the Company in deciding the types of projects and related investments it undertakes, and the amounts thereof.

### **3.7 Risk Management Procedures**

The Board does not have a separate Board risk committee as the Board is currently assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. To address the risks presented by the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the New Business following the Proposed Diversification. The Audit Committee will be required to approve appropriate risk management procedures and measurement methodologies and be involved in identifying and managing the various business risks for the New Business.

The Company will endeavour to ensure that the risk management systems implemented are commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the New Business, and will review such risk management systems periodically to assess adequacy.

The Board and the Audit Committee will adopt internal policies and procedures for the management to consider before tabling proposals for any new projects or investments under the New Business.

Further, investments above an internally-determined threshold (as approved by the Board from time to time) must be specifically approved by the Audit Committee. In addition, the Board and the Audit Committee, which review the risk exposure of the New Business of the Company at regular intervals, will review the risk exposure of the New Business at intervals of not less than annually.

The risk management and internal control system, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Company and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

### **3.8 Risk Associated with the New Business**

To the best of the Directors' knowledge and belief, all risk factors which are material in making an informed decision in relation to the Proposed Diversification have been set out below. Shareholders should carefully consider and evaluate the risk factors set out herein and all other information contained in this Appendix 1.

Any of the risks described below could have a material adverse effect on the Company's or the Group's results of operations, financial condition and prospects. In that event, the market price of the Shares may decline, and Shareholders may lose all or part of their investments in the Shares.

- (a) The New Business is reliant on experienced staff to create and design its products and is dependent on its ability to attract and retain such personnel and to maintain labour costs

AcroMeta Lifestyle's ability to design and produce its products is crucial to the future growth and expansion of the "Musicverse" brand of products. This ability depends heavily on the expertise and ability of its existing skilled personnel, and its ability to hire and retain such skilled personnel. The success of AcroMeta Lifestyle therefore depends on its ability to attract such skilled personnel. The demand for such specialised and skilled personnel is high. If AcroMeta Lifestyle is unable to hire or retain the services of such adequately skilled personnel, it will have to expend time and costs to train new staff, which in turn affects its cost competitiveness and possibly, financial performance.

- (b) AcroMeta Lifestyle may not be successful in developing and manufacturing new products, or in enhancing its existing products

AcroMeta Lifestyle's profitability and growth depends in part on its ability to enhance existing products and developing AI-integrated products that appeal to consumers. It is difficult to give any form of assurance that such new products, or the technology and features of the new products, will be accepted by the market. There is also no assurance that such new products or technology can be successfully registered as intellectual property that will bring future economic benefit to the Group. The profitability of AcroMeta Lifestyle may be affected if there are any delays in developing or commercialising new products or enhancements, and if such products or enhancements do not gain market acceptance. Additionally, advancements in technologies, whether developed as a general trend or by AcroMeta Lifestyle's competitors, may render AcroMeta Lifestyle's products uncompetitive or obsolete.

- (c) AcroMeta Lifestyle is subject to government regulations of the countries to which it distributes its products to

AcroMeta Lifestyle envisages distribution to various jurisdictions and may be subject to various laws and regulations in those jurisdictions. AcroMeta Lifestyle may be required to obtain licences, permits, certificates, consents and/or regulatory approvals for its business. If AcroMeta Lifestyle fails to obtain or renew the requisite licences, permits or approvals in the relevant jurisdictions, AcroMeta Lifestyle will not be able to operate or continue to operate in such jurisdiction(s), which may have a material and adverse impact on AcroMeta Lifestyle's business, financial conditions, operating results and prospects.

AcroMeta Lifestyle's business and financial performance may be affected if there are changes in government regulations in the jurisdictions in which they operate. In the event any government regulations are changed, AcroMeta Lifestyle may incur additional costs to comply with the new government regulations. Additionally, where insufficient notice of the change is provided, AcroMeta Lifestyle may not be able to comply with the new government regulations within the stipulated time frame. There can also be no assurance that the licences, approvals and

agreements will be renewed upon their expiration on commercially reasonable terms.

- (d) There is limited expansion in each locality/country for AcroMeta Lifestyle and they are subject to risks associated with the operation of businesses outside of Singapore

Due to the targeted sectors and customer base of AcroMeta Lifestyle, there may be limited room for expansion in each locality/country. Accordingly, AcroMeta Lifestyle does not plan to restrict the New Business to any specific geographical market. As such, there are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding AcroMeta Lifestyle's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect AcroMeta Lifestyle's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow. Further, the revenue from AcroMeta Lifestyle may be generated from overseas markets and in foreign currencies. To the extent that the Group's revenue, purchases and operating costs are not matched in the same currency and to the extent there are timing differences between invoicing and collection of payment, as the case may be, AcroMeta Lifestyle may be exposed to any unfavourable fluctuations of such currencies of the jurisdictions in which AcroMeta Lifestyle will be engaging in to conduct the New Business, and AcroMeta Lifestyle's operating results may be materially or adversely affected.

- (e) AcroMeta Lifestyle may face competition from existing and potential competitors

The current competitors of AcroMeta Lifestyle may have access to more extensive marketing, technical, financial and manufacturing resources and possess stronger track record and brand recognition. Such competitors may be able to provide comparable products, at a lower price and respond more quickly to market trends, especially with the rapid growth of Singapore's emerging consumer products. This may result in AcroMeta Lifestyle having to possibly incur additional capital expenditure to increase its marketing and business development budget in order to implement competitive strategies, which could, in turn, reduce profit margins. To mitigate the impact of these changes, AcroMeta Lifestyle may have to further adjust its rental and staffing expenses.

- (f) Macroeconomic and other factors beyond the AcroMeta Lifestyle's control

AcroMeta Lifestyle may be affected by various unforeseen macroeconomic factors, such as general economic conditions, market sentiment and consumer confidence. These are largely beyond AcroMeta Lifestyle's control. Any adverse changes may result in consumers' purchasing power and a consequential decrease in consumer spending.

The business and operations of AcroMeta Lifestyle may also be affected by unforeseen changes in consumer preferences, natural catastrophes that may disrupt the operations and cause losses to its facilities. Events such as terrorist

attacks or other acts of violence may affect global financial markets, business and consumer confidence. As a result, the business, financial condition and operating results of AcroMeta Lifestyle may be affected.

(g) Additional equity or debt financing may be required to finance AcroMeta Lifestyle

Additional equity fund-raising may result in a dilution to our Shareholders. If such additional equity fund-raising activities do not generate a commensurate increase in earnings, the Company's EPS may be diluted, and may result in a decline in the Company's share price.

Additional debt financing may limit the Company's ability to pay dividends, increase vulnerability to general adverse economic and industry conditions, require the Company to dedicate a substantial portion of its cash flows to fund capital expenditure, working capital and other requirements, as well as limit its flexibility in planning for or reacting to changes in its business and its industry.

Any inability to secure adequate equity or debt financing may adversely affect the Company's business, financial condition, results of operations and prospects.

### 3.9 **Future Plans and Prospects**

The Group will continue with its Existing Business. The entry into the New Business is intended to be a diversification of the Group's Existing Business as part of the corporate strategy of the Group to provide Shareholders with diversified returns and sustainable long-term growth. The Proposed Diversification will offer new business opportunities and provide the Group with new revenue streams to enhance Shareholders' value for the Company.

### 3.10 **Changes to the Board of Directors Arising from the Proposed Diversification**

There will be no new appointment to the Board of Directors arising from the Proposed Diversification.

### 3.11 **Financial Effects of the Proposed Diversification**

As at the Latest Practicable Date, the Company's plans in relation to the New Business, as announced on SGXNet, are not expected to materially impact the net profit, EPS or NTA of the Group.

Should there be any material impact on the Group's NTA per Share and EPS for FY2024 as a result of any developments relating to the New Business, the Company will make the necessary announcements at the appropriate time.

### 3.12 **Disclosure of Financial Results of the New Business**

The New Business will be accounted for as a new business segment in the Group's financial statements in line with the Singapore Financial Reporting Standards (International) and accordingly, the Group will disclose the financial results of the New Business with the Group's financial statements. The financial results of the New Business together with the Group's financial statements will be periodically announced



pursuant to the requirements as set out in Chapter 7 of the Catalist Rules. In these periodic announcements, the Group may provide segmented financial results relating to the New Business where appropriate or if required under any applicable accounting standards and the Catalist Rules.

#### 4. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 None of the Directors and the Substantial Shareholders of the Company has any interest or is deemed to be interested in the Proposed Transactions.

The shareholdings of the Directors and the Substantial Shareholders as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders as at the Latest Practicable Date were as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>				
Lim Say Chin	6,700,000	1.97	-	-
Guo Jinyao, Keith	5,000,000	1.47	-	-
Toh Ker How, Lawrence	11,000,000	3.24	-	-
Mahtani Bhagwandas	600,000	0.18	-	-
Chan Tze Choong, Eric	600,000	0.18	-	-
Cheong Keng Chuan, Alfred	600,000	0.18	-	-
<b>Substantial Shareholders (other than Directors)</b>				
Levin Lee Keng Weng	71,500,000	21.05	-	-
Chew Chee Keong	60,139,097	17.71	-	-

**Notes:**

(1) The percentages of issued share capital are calculated based on 339,587,956 Shares in the capital of the Company as at the Latest Practicable Date.

#### 5. DIRECTORS' RECOMMENDATIONS

##### 5.1 Proposed Renewal of the Share Purchase Mandate

Having considered the rationale and benefits of the Proposed Renewal of the Share Purchase Mandate, the Directors are of the opinion that the Proposed Renewal of the Share Purchase Mandate is in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that Shareholders vote in respect of Ordinary Resolution 9 as set out in the Notice of AGM for the Proposed Renewal of the Share Purchase Mandate.

##### 5.2 Proposed Diversification

Having considered, *inter alia*, the rationale for the Proposed Diversification, the Directors are of the opinion that the Proposed Diversification is in the best interests of the Company and Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution 10 as set out in the Notice of AGM in respect of the Proposed Diversification.

Shareholders are advised to read this Appendix 1 in its entirety, in particular the rationale for and/or the risk factors relating to the Proposed Diversification and for those who may require advice in the context of his specific investment, to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser.

## **6. ANNUAL GENERAL MEETING**

The 2025 AGM, notice of which is set out in the Annual Report of the Company, will be held on 27 January 2025 at 10 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, *inter alia*, the Ordinary Resolutions relating to the Proposed Transactions as set out in the Notice of AGM.

## **7. ACTION TO BE TAKEN BY SHAREHOLDERS**

7.1 Shareholders should note that the AGM will be convened in a physical format only. Shareholders will not be able to participate electronically in any manner whatsoever. Shareholders who are unable to attend the AGM 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 AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 6001 Beach Road, #16-03 Golden Mile Tower, Singapore 199589, not later than 72 hours before the time fixed for the AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the AGM if he so wishes in place of the proxy.

7.2 A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP not less than 72 hours before the time fixed for the AGM or any adjournment thereof.

## **8. NO ABSTENTION FROM VOTING ON THE ORDINARY RESOLUTIONS RELATING TO THE PROPOSED TRANSACTIONS ONLY**

No Director or any Controlling Shareholder of the Company is or deemed to be interested in the Proposed Transactions save for the shares that they hold in the Company. Therefore, no person will be excluded from voting on the Ordinary Resolutions 9 and 10 set forth in the Notice of AGM.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix 1 and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix 1 constitutes full and true disclosure of all material facts about the Proposed Transactions, and 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 1 misleading. Where information in this Appendix 1 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 1 in its proper form and context.

## **10. INSPECTION OF DOCUMENTS**

The following documents are available for inspection at the registered office of the Company at 6001 Beach Road, #16-03, Golden Mile Tower, Singapore 199589 during normal business hours from the date of this Appendix 1 up to the date of the AGM:

- (a) the Annual Report of the Company for the financial year ended 30 September 2024; and
- (b) the Constitution.

Yours faithfully  
For and on behalf of the Board of Directors of  
**ACROMETA GROUP LIMITED**

**Mr. Mahtani Bhagwandas**  
Non-Executive Chairman