ACCRELIST LTD. (亚联盛控股公司)

(Company Registration No. 198600445D)
(Incorporated in the Republic of Singapore)

ENTRY INTO A SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF 51% EQUITY INTEREST IN SJY MEDICAL PTE. LTD. AND ISSUANCE OF 4,741,379 SHARES IN THE CAPITAL OF THE COMPANY AS CONSIDERATION

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of the Accrelist Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 18 April 2023 entered into a Sale and Purchase Agreement (the "**SPA**") with SJY Healthcare Pte. Ltd. (the "**Vendor**") for the purchase of the 102,000 ordinary shares ("**Sale Shares**"), representing 51% of the issued and paid-up share capital, in SJY Medical Pte. Ltd. (the "**Target Company**") (the "**Proposed Acquisition**").

1.2 Where appropriate, all the terms used herein shall bear the same meaning as defined in the SPA.

1.3 As the relative figures under Rule 1006 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a discloseable transaction under Chapter 10 of the Catalist Rules.

2. INFORMATION ON THE TARGET COMPANY AND THE VENDOR

2.1 The Target Company is a limited private company incorporated in Singapore. The Target Company is primarily in the business of beauty and aesthetics. The Target Company operates four medical aesthetics outlets at the following locations in Singapore:

(a) 23 Serangoon Central #02-28, Singapore 556083;
(b) 1 Jurong West Central 2 #B1-42 Jurong Point Shopping Centre, Singapore 648886;
(c) 10 Sinaran Drive, #11-23 Novena Medical Centre, Singapore 307506; and
(d) 10 Eunos Road, #B1-141 SingPost Centre, Singapore 408600.

2.2 Based on the unaudited financial statement of the Target Company for the period of 1 August 2022 to 31 March 2023, being the most recent financial statement of the Target Company:

(a) the book value of the Sale Shares was approximately SGD 358,507; and
(b) the net tangible asset value represented by the Sale Shares was approximately SGD 358,507.

2.3 Upon completion of the Proposed Acquisition, the Target Company will become a subsidiary of the Company. The Company plans to rebrand the clinics at the abovementioned locations to the Company's brand in due course.

2.4 The Vendor is a limited private company incorporated in Singapore and sole shareholder of the Target Company, holding 200,000 shares in the Target Company. Ms. Sun Xue, the sole shareholder of the Vendor's parent company, is a Singapore Citizen. Ms. Sun Xue, the Vendor and its parent company are not related to any of the Company's directors, chief executive officer or controlling shareholder, or their respective associates. As at the date of this announcement, the Vendor does not have any shareholding interests, direct or indirect, in the Company.

2.5 The Company's directors, chief executive officer or controlling shareholder, or their respective associates do not have any shareholding interests, direct or indirect, in the Target Company, and they are not related to any of the Target Company's directors or controlling shareholder, or their respective associates.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 Sale Shares

Subject to the terms and conditions of the SPA, the Sale Shares shall, at Completion (as defined below) be free from all encumbrances and together with all rights, entitlements and benefits now and hereafter attaching thereto as of and including the date of Completion (including the right to receive all dividends or distributions declared, made or paid on or after Completion).

3.2 Consideration

Pursuant to the SPA, the consideration for the Sale Shares will be an aggregate amount of SGD 550,000 ("**Consideration**"), to be satisfied by way of issue of new ordinary shares in the capital of the Company ("**Consideration Shares**") and cash in the following manner:

(a) a refundable deposit of SGD 75,000 ("**Deposit**") to be payable in the form of cash upon the signing of the SPA;

(b) SGD 200,000 to be payable in the form of cash upon Completion; and

(c) SGD 275,000 to be payable by the allotment and issuance of the 4,741,379 Consideration Shares to the Vendor based on the closing price of the Company's shares traded on the SGX-ST ("**Shares**") as at the date of the SPA which is SGD 0.058.

The Consideration was arrived at after arms' length negotiations between the Company and the Vendor, on a 'willing-buyer willing-seller' basis, and after taking into consideration of the Target Company's revenue and value of the Target Company's property, plant and equipment. No valuation had been carried out in connection with the Proposed Acquisition.

The Deposit has been paid to the Vendor.

3.3 Conditions Precedent

Completion of the Proposed Acquisition ("**Completion**") is conditional upon the following conditions (the "**Conditions Precedent**") having been satisfied by the Company or the Vendor (as the case may be) or waived in writing by the relevant Party:

(a) the completion of due diligence reasonably conducted to the satisfaction of the Company;

(b) there having been no material breach of any of the warranties set out in the SPA and on the Completion Date and the Target Company having obtained all necessary and relevant approvals for all transactions under the SPA;

(c) the approval from the board of directors, and the shareholders of the Company, the Vendor and the Target Company being obtained for the transactions described in the SPA at a general meeting of such board of directors and/or shareholders;

(d) the execution and performance of the SPA by the Parties not being prohibited or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body, authority or the SGX-ST;

(e) that each of the representations and warranties of each Party under the SPA shall remain true and not misleading in all material respects at the Completion Date and at all times between the date of the SPA and the Completion Date;

(f) the full repayment (including by way of loan conversion into shares) of all loans, facilities, advances, liabilities, amounts, income tax, trade payables and sums owing by the Target Company disclosed in the Target Company's financial statement as at 31 December 2022;

(g) the collection of all receivables (including trade and other receivables, amount owing from related companies, and amounts due from directors) of the Target Company; and

(h) no event having a material adverse effect occurring.

3.4 Completion

Subject to the terms and conditions of the SPA, Completion shall take place on the second business day (or such other date as mutually agreed between the Company and the Vendor) from the fulfilment (or waiver) of all the Conditions Precedent to the satisfaction of the relevant Parties and in full reliance of the warranties ("**Completion Date**").

The Company and the Vendor shall take all steps necessary to satisfy the Conditions Precedent promptly, and in any event, no later than 31 May 2023 or such other date as the Company and the Vendor may agree in writing ("**Longstop Date**").

In the event that any of the Conditions Precedent is not fulfilled (or waived) by the Longstop Date for any reason, any payments made by the Company to the Vendor shall be promptly refunded by the Vendor to the Company in full without interest or deductions whatsoever within ten (10) business days from the written notification by the Company or the Longstop Date (whichever is earlier).

3.5 Other terms of the SPA

The SPA contains customary provisions relating to the Proposed Acquisition, including representations and warranties.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

For the purposes of illustration only, the following is an analysis and illustration of the pro forma financial effects of the Proposed Acquisition on the net tangible assets per share and earnings/ (loss) per share of the Company based on the latest audited accounts of the Group for financial year ended 31 March 2022, being the most recently completed financial year. The financial effects set out below are on the following bases and assumptions:

(a) the financial impact on the Group's net tangible assets per share is computed based on the assumption that the Proposed Acquisition had been effected at 31 March 2022;

(b) the financial impact on the Group's earnings/ (loss) per share is computed based on the assumption that the Proposed Acquisition had been effected on 1 April 2021;

(c) the unaudited financial statement of the Target Company for the period of 1 August 2022 to 31 March 2023; and

(d) the Consideration Shares were issued at the issue price of SGD 0.058 per Consideration Share (i) on 31 March 2022 for the purpose of calculating the financial effects of the Proposed Acquisition on the Company's net tangible assets per share; and (ii) on 1 April 2021 for the purpose of calculating the financial effects of the Proposed Acquisition on the Company's earnings/ (loss) per share.

Net Tangible Assets ("NTA") per share

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Consolidated NTA attributable to shareholders of the Company ("**Shareholders**") (SGD'000)	29,901	30,773
Weighted Average Number of Shares	303,727,293	303,753,202
NTA per Share (SGD cents)	9.84	10.13

Earnings / (Loss) per share

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Loss for the period attributable to equity holders of the Company (SGD'000)	(12,734)	(12,545)
Weighted Average Number of Shares	303,727,293	303,753,202
Loss per Share (SGD cents)	(4.19)	(4.13)

5. DISCLOSURE UNDER CHAPTER 10 OF THE CATALIST RULES

5.1 The aggregate relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition based on the latest announced consolidated financial results for the half year ended 30 September 2022 ("**HY2023**") are as follows:

Rule 1006(a)	net asset value of the assets to be disposed of, compared with the group's net asset value	Not Applicable[(1)]
Rule 1006(b)	net profits attributable to the assets acquired or disposed of, compared with the group's net loss	(6.0%)[(2)]
Rule 1006(c)	aggregate value of the Consideration compared with the Company's market capitalization	3.9%[(3)]

Rule 1006(d)	number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	1.56%[(4)]
Rule 1006(e)	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[(5)]

Notes:-

(1) Rule 1006(a) of the Catalist Rules is not applicable as the Company is not disposing any assets pursuant to the Proposed Acquisition.

(2) Based on the unaudited net profits attributable to the Target Company for period of 1 August 2022 to 31 March 2023 being SGD 189,000 compared with the Group's unaudited net loss for HY2023 of SGD 3,171,000.

(3) Pursuant to Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares, or the net asset value ("**NAV**") represented by such shares, whichever is higher.

As the NAV per Share of SGD 0.0911 is higher than the market value of each Share of SGD 0.0594 (based on the volume weighted price of the Shares transacted on 18 April 2023, being the date of signing of the SPA where there were Shares traded, in accordance with Rule 1003(3) of the Catalist Rules), the value of the consideration shall be determined based on the NAV per Share of SGD 0.0911. Accordingly, the aggregate consideration for the Proposed Acquisition used for the computation under Rule 1006(c) of the Catalist Rules is SGD 706,759 (comprising (i) cash payment of SGD 275,000, in respect of cash payment, and (ii) the equity portion of SGD 431,759, being 4,741,379 Consideration Shares multiplied by the market value per Share of SGD 0.0911).

"**market capitalisation**" is calculated by the number of shares of the Company (excluding treasury shares) multiplied by the volume weighted average market price of SGD 0.0596 of the Company's shares as at 17 April 2023, being the market day immediately preceding the date of the SPA, the Group's market capitalization calculated based on the total number of issued shares excluding treasury shares is approximately SGD 18,102,147.

(4) Computed based on the 4,741,379 Consideration Shares compared with the issued and paid-up capital of 303,727,293 Shares in issue.

(5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

Under Rule 1007(1) of the Catalist Rules states, *inter alia*, that if any of the relative figures computed pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances. Under paragraph 4.4(b) of Practice Note 10A, an issuer must immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013 of the Catalist Rules.

As the relative figures under Rule 1006 exceed 5% but do not exceed 75%, the Proposed Acquisition only constitutes a "Discloseable Transaction" as defined in Chapter 10 of the Catalist Rules. Accordingly, Shareholders' approval for the Proposed Acquisition is not required.

6. GENERAL MANDATE FOR THE ISSUANCE OF THE CONSIDERATION SHARES

6.1 Rule 805(1) of the Catalist Rules provides that an issuer must obtain prior approval of shareholders in general meeting for the issue of shares unless such issuance of shares is covered under a general mandate obtained from shareholders of the Company. The Consideration Shares will be issued on the Completion Date and are intended to be allotted and issued pursuant to the general share issue mandate ("**General Mandate**") obtained from Shareholders at the Company's annual general meeting held on 28 November 2022 ("**2022 AGM**"). Pursuant to the General Mandate, the Directors are authorised to, *inter alia*, allot and issue new Shares provided the aggregate number of Shares to be issued pursuant to the General Mandate shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares as at the date of the 2022 AGM.

6.2 As at the date of the 2022 AGM, the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) was 303,727,293 Shares. Pursuant thereto, the total number of Shares that may be issued other than on a pro-rata basis pursuant to the General Mandate was 151,863,646 Shares. As at the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate. Accordingly, the allotment and issuance of 4,741,379 Consideration Shares will fall within the limits of the General Mandate and specific shareholder approval is not required.

6.3 The Consideration Shares, when allotted and issued in full, will represent (i) approximately 1.56% of the existing share capital of 303,727,293 Shares; and (ii) approximately 1.54% of the enlarged share capital of 308,468,672 Shares, upon completion of the Proposed Acquisition (assuming no other new Shares are issued by the Company prior to the allotment and issuance of the Consideration Shares).

6.4 As mentioned in paragraph 2.4 above, the Vendor have no existing shareholding interest in the Company. The Vendor will hold 1.54% of the enlarged share capital upon the allotment and issuance of the Consideration Shares pursuant to the Proposed Acquisition. Mr. Terence Tea Yeok Kian remains as the controlling shareholder of the Company, having shareholding interest of 70,168,756 Shares representing i) approximately 23.10% of the existing share capital of 303,727,293 Shares; and (ii) approximately 22.75% of the enlarged share capital of 308,468,672 Shares, upon completion of the Proposed Acquisition (assuming no other new Shares are issued by the Company prior to the allotment and issuance of the Consideration Shares). Accordingly, the Proposed Acquisition will not result in the transfer of a controlling interest in the Company.

6.5 The Company will be applying to the SGX-ST for the in-principle approval and listing and quotation of the Consideration Shares on the Catalist of the SGX-ST in due course and will make the necessary announcements once the in-principle approval and the Listing and Quotation Notice for the listing and quotation of the Consideration Shares have been obtained from the SGX-ST.

7. RATIONALE FOR THE PROPOSED ACQUISITION AND SOURCE OF FUNDS

7.1 The Proposed Acquisition represents a good opportunity for the Group to expand its business and operations, and provides the Group with the opportunities to create new revenue streams

and achieve a more consistent financial growth, which is in line with the Group's business strategies and plans.

The Proposed Acquisition will allow the Group to grow its present line of aesthetic clinics and allow the Company to tap on the capability of the Target Company.

7.2 The cash consideration will be funded by internal resources of the Group, and the Company confirms that the Group has sufficient working capital to meet its present requirements.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

8.1 As at the date of this announcement, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholding interest, direct or indirect, in the Company.

9. SERVICE CONTRACTS

9.1 No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DIRECTORS' RESPONSIBILITY STATEMENT

10.1 The Directors have collectively and individually reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects about the Proposed Acquisition and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. FURTHER ANNOUNCEMENT

11.1 The Company will make such appropriate update announcement(s) at the relevant time, as appropriate.

12. DOCUMENTS AVAILABLE FOR INSPECTION

12.1 A copy of the SPA is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 10 Ubi Crescent, Ubi Techpark Lobby E, #03-94/95/96, Singapore 408564 for three (3) months from the date of this announcement.

13. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the Conditions Precedent will be fulfilled.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stock broker, bank managers, solicitors or other professional advisers if they have any doubt the actions they should take.

BY ORDER OF THE BOARD

Dr. Terence Tea
Executive Chairman and Managing Director
18 April 2023

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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