

ACCRELIST LTD. (亚联盛控股公司)
(Company Registration No. 198600445D)
(Incorporated in the Republic of Singapore)

DISCLAIMER OF OPINION BY AUDITORS ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”), the Board of Directors (the “**Board**”) of Accrelist Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s Independent Auditors, Moore Stephens LLP, have included a disclaimer of opinion (the “**Disclaimer of Opinion**”) in their Independent Auditor’s Report to the Members of the Company dated 8 November 2023 (the “**Independent Auditor’s Report**”) in relation to the consolidated financial statements of the Group and the financial position of the Company for the financial year ended 31 March 2023 (“**FY2023**”) (the “**Financial Statements**”).

The basis for the Disclaimer of Opinion is contained in the Independent Auditor’s Report, a copy of which, together with relevant extract of Notes to the Financial Statements, pertaining to the Company’s subsidiary, Jubilee Industries Holdings Ltd. (“**Jubilee**”)’s investment in subsidiary corporations, are attached to this announcement for information.

The Board notes that the basis for the Disclaimer of Opinion is mainly due to the disclaimer opinion from its subsidiary, Jubilee, and the Board would rely on Jubilee’s Board to determine the appropriate steps to be taken to address the matters. Please refer to Jubilee’s annual report for FY2023 with all material disclosures made for more details.

The Independent Auditor’s Report and the complete set of the Financial Statements will also be contained in the Company’s Annual Report for FY2023 (the “**FY2023 Annual Report**”), which will be released on SGXNET in due course.

Shareholders of the Company are advised to read this announcement in conjunction with the FY2023 Annual Report in their entirety and to exercise caution when dealing in the shares of the Company and to refrain from taking any action in relation to their securities which may be prejudicial of their interests. If in doubt about the action that they should take, shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers.

BY ORDER OF THE BOARD

Dr. Terence Tea
Executive Chairman and Managing Director
8 November 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.

The contact person for the Sponsor is Mr Mah How Soon, Registered Professional, RHT Capital Pte. Ltd., 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Accrelist Ltd. (the "Company") and its subsidiaries (collectively the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group and the statement of financial position of the Company. The matter described in the "Basis for Disclaimer of Opinion" section of our report is significant and we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

As stated in Note 22 to the financial statements, the financial statements of We Total Engineering Sdn Bhd and its subsidiaries, Honfoong Plastic Industries Pte Ltd (HF) and PT Honfoong Plastic Industries ("We Total sub-group") were included in the Group's consolidated financial statements based on unaudited management accounts for the current financial year ended 31 March 2023. The Group's consolidated financial statements include the revenue, expenses, total assets and total liabilities of We Total sub-group amounting to approximately S\$22,407,000, S\$25,140,000, S\$15,200,000, and S\$6,100,000 respectively. As disclosed in Note 12, the Group has classified HF and its subsidiary, as part of the disposal group classified as held for sale. The assets and liabilities of the We Total sub-group includes those assets and liabilities of the HF group that have been classified as held for sale.

As at the date of this report, we were unable to carry out our audit procedures or alternative procedures as auditors of the Company on the financial statements of the We Total sub-group for the purpose of providing an opinion on the Group's consolidated financial statements. The We Total sub-group has a material and pervasive impact on the consolidated financial statements of the Group. Consequently, we were unable to determine what adjustments, if any, may be required to the Group's consolidated financial statements.

Other Matter

The financial statements for the financial year ended 31 March 2022 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements in their report dated on 11 November 2022.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the matter as described in the "Basis for Disclaimer of Opinion" section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Christopher Bruce Johnson.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore

8 November 2023

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22 Investments In Subsidiary Corporations

	Company	
	2023 S\$'000	2022 S\$'000
<u>Equity investments at cost</u>		
At 1 April and 31 March	38,085	38,085
<u>Movements in allowance for impairment</u>		
At 1 April	6,179	6,179
Impairment loss recognised for the year	16,117	–
At 31 March	22,296	6,179
Net book value	15,789	31,906

The subsidiary corporations held by the Company and its subsidiary corporations are listed below:

Name of subsidiaries, place of business and incorporation	Principal activities	Percentage of effective equity interest held by the Company	
		2023 %	2022 %
<i>Held by the Company</i>			
WE Components Sdn. Bhd. ⁽⁶⁾ (Malaysia)	Distributor and representative of electronic components and systems and equipment	99.9	99.9
A.M. Skincare Pte. Ltd. ⁽¹⁾ (Singapore)	Retail sale of pharmaceutical and medical goods	100	100
WesCal Electronics Trading (Shanghai) Co., Ltd. ⁽³⁾ (People's Republic of China)	Distributor and representative of electronic components and systems and equipment	100	100
WE Electronics Co., Ltd. ⁽³⁾ (Thailand)	Distributor and representative of electronic components and systems and equipment	100	100
WE Dragon Resources Pte. Ltd. ⁽¹⁾ (Singapore)	Petroleum, mining and prospecting services	100	100
Accrelist Medical Aesthetics (Serangoon) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	100
WE Resources Sdn. Bhd. ⁽⁶⁾ (Malaysia)	Iron ore and coal trading	100	100
WE Technology (HK) Ltd. ⁽³⁾ (Hong Kong)	Distributor and representative of electronic components and systems and equipment	100	100
WE Resources (Cambodia) Co. Ltd. ⁽³⁾ (Cambodia)	Iron ore and coal trading	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22 Investments In Subsidiary Corporations (cont'd)

The subsidiary corporations held by the Company and its subsidiary corporations are listed below: (cont'd)

Name of subsidiaries, place of business and incorporation	Principal activities	Percentage of effective equity interest held by the Company	
		2023 %	2022 %
<i>Held by the Company</i> (cont'd)			
Accrelist Crowdfunding Pte. Ltd. ⁽¹⁾ (Singapore)	Financial services	100	100
Accrelist Medical Aesthetics (Raffles City) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	100
Accrelist Medical Aesthetics (BM) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	100
Accrelist Medical Aesthetics (LOT1) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	100
Accrelist Medical Aesthetics (SPC) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	100
Accrelist Medical Aesthetics (TPY) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	100
Jubilee Industries Holdings Ltd. ⁽¹⁾ (Singapore)	Investment holding	53.3	53.1
<i>Held through Accrelist Medical Aesthetics (BM) Pte. Ltd.</i>			
Accrelist Medical Aesthetics (CM) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	100
Accrelist Medical Aesthetics (KL) Sdn. Bhd. ^(2e) (Malaysia)	Aesthetic medical	100	100
Accrelist Medical Aesthetics (Penang) Sdn. Bhd. ^(2e) (Malaysia)	Aesthetic medical	100	100
Accrelist Medical Aesthetics (Central@Clarke Quay) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	–
Accrelist Medical Aesthetics (Orchard Central) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	–
Accrelist Medical Aesthetics (Northpoint) Pte. Ltd. ⁽¹⁾ (Singapore)	Aesthetic medical	100	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22 Investments In Subsidiary Corporations (cont'd)

The subsidiary corporations held by the Company and its subsidiary corporations are listed below: (cont'd)

Name of subsidiaries, place of business and incorporation	Principal activities	Percentage of effective equity interest held by the Company	
		2023	2022
		%	%
<i>Held through Jubilee Industries Holdings Ltd.</i>			
Jubilee Industries (S) Pte Ltd ⁽¹⁾ (Singapore)	Manufacturer and dealer precision plastic and metal mould	53.3	53.1
E'mold Holding Pte Ltd ⁽¹⁾ (Singapore)	Investment holding	53.3	53.1
J Capital Pte Ltd ⁽¹⁾ (Singapore)	Investment holding	53.3	53.1
WE Components Pte. Ltd. ⁽¹⁾ (Singapore)	Trading in electronic components	45.8	53.1
WE Total Engineering Sdn. Bhd. ⁽⁴⁾ (Malaysia)	Manufacturer and dealer of precision plastic and metal mould	53.3	53.1
E'Mold Manufacturing (Kunshan) Co. Ltd ⁽⁵⁾ (People's Republic of China)	Manufacturer and dealer of precision plastic and metal mould	–	53.1
WE Components (Shanghai) Co Ltd ^(2a) (People's Republic of China)	Trading in electronic components	45.8	53.1
WE Components Co Ltd ^(2b) (Thailand)	Trading in electronic components	45.8	53.1
WE Components (Hong Kong) Limited ^(2c) (Hong Kong)	Trading in electronic components	45.8	53.1
WE Components (Shenzhen) Co Ltd ⁽³⁾ (People's Republic of China)	Trading in electronic components	45.8	53.1
Kin Wai Technology Ltd ⁽³⁾ (British Virgin Islands /People's Republic of China)	Trading in electronic components	45.8	53.1
WE Microelectronics Pte. Ltd. ⁽¹⁾ (Singapore)	Trading in electronic components	45.8	53.1

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22 Investments In Subsidiary Corporations (cont'd)

The subsidiary corporations held by the Company and its subsidiary corporations are listed below: (cont'd)

Name of subsidiaries, place of business and incorporation	Principal activities	Percentage of effective equity interest held by the Company	
		2023 %	2022 %
<i>Held through Jubilee Industries Holdings Ltd. (cont'd)</i>			
WE Components (Penang) Sdn Bhd ⁽⁶⁾ (Malaysia)	Trading in electronic components	45.8	53.1
WE Components India Pvt Ltd ^(2d) (India)	Trading in electronic components	45.8	53.1
Honfoong Plastic Industries Pte. Ltd. ⁽⁴⁾ (Singapore)	Manufacturer and dealer of precision plastic and metal mould	41.0	37.2
PT Honfoong Plastic Industries ⁽⁴⁾ (Indonesia)	Manufacturer and dealer of precision plastic and metal mould	41.0	37.2

(1) Audited by Moore Stephens LLP, Singapore, a member firm of Moore Global Network Limited.

(2) Audited by other independent auditors other than member firms of Moore Global Network Limited for local statutory audit purposes:

- (a) Shangzi Certified Public Accountants Co., Ltd
- (b) BZY Audit (Thailand) Limited
- (c) Fan, Chan & Co. Limited
- (d) Arts & Co
- (e) Y.H. Chang & Partners

(3) The subsidiary corporation are dormant and do not require an audit. They are not significant to the Group.

(4) The financial statements are unaudited and included in the Group's consolidated financial statements based on management accounts.

(5) Struck off during the year.

(6) Audited by Moore Stephens Associate PLT – a member of Moore Global Network Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22 Investments In Subsidiary Corporations (cont'd)

As required by Rule 715 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for its overseas subsidiary corporations would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

(a) Disposal of Electronic Business Unit (“EBU”)

On 21 June 2022, the Group entered into a sales agreement with a third party to dispose a 14% shareholding of WE Components Pte. Ltd. which carried out EBU of the Group. The partial disposal was completed on 9 March 2023. Subsequent to the financial year, the Company has completed the disposal of the remaining 86% shareholding of WE Components Pte. Ltd. as disclosed in Note 31.

(b) Impairment assessment

As at 31 March 2023, management carried out an impairment assessment on the estimated irrecoverable amounts of the Company’s investments in certain subsidiaries due to the significant decline in the financial performance and/or financial positions of those subsidiaries. Based on management’s judgement, an additional impairment loss of S\$16,117,000 (2022: Nil) on those investment in subsidiaries has been recognised during the financial year.

(c) Summarised financial information of subsidiaries with material non-controlling interest (“NCI”)

	2023 S\$'000	2022 S\$'000 (Restated)
Jubilee Industries Holdings Ltd. (“Jubilee”)	10,046	12,296
WE Components Sdn. Bhd. (with immaterial non-controlling interests)	_*	_*
	10,046	12,296

*Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22 Investments In Subsidiary Corporations (cont'd)

(c) Summarised financial information of subsidiaries with material non-controlling interest ("NCI") (cont'd)

Summarised financial information of Jubilee Group

Set out below are the summarised financial information for each subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	Jubilee Group	
	2023	2022
	S\$'000	S\$'000
		(Restated)
<u>Current</u>		
Assets	55,177	64,976
Liabilities	(34,244)	(45,586)
Total current net assets	20,933	19,390
<u>Non-current</u>		
Assets	696	8,451
Liabilities	(88)	(269)
Total non-current net assets	608	8,182
Net assets	21,541	27,572

Summarised statement of comprehensive income

	Jubilee Group	
	2023	2022
	S\$'000	S\$'000
Revenue	22,407	30,423
Loss before income tax	(2,591)	(5,415)
Income tax expense	(91)	(116)
Net loss for the year from continuing operations	(2,682)	(5,531)
Loss for the year from discontinued operations	(7,020)	339
Other comprehensive income/(loss)	1,331	(482)
Total comprehensive loss	(8,371)	(5,674)
Total comprehensive loss allocated to non-controlling interests	(4,650)	(2,643)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22 Investments In Subsidiary Corporations (cont'd)

(c) Summarised financial information of subsidiaries with material non-controlling interest ("NCI") (cont'd)

Summarised cash flows statement

	Jubilee Group	
	2023	2022
	S\$'000	S\$'000
Net cash generated from/(used in) operating activities	1,323	(2,689)
Net cash generated from/(used in) investing activities	11,699	(1,068)
Net cash (used in)/generated from financing activities	(3,686)	2,620

23 Share Capital

	2023		2022	
	No. of ordinary shares '000	Amount S\$'000	No. of ordinary shares '000	Amount S\$'000
Group				
Issued and fully paid:				
At the beginning of the year	303,727	74,315	279,142	72,491
Issuance of shares	-	-	22,660	1,670
Warrants conversion	-	-	1,925	154
At the end of the year	303,727	74,315	303,727	74,315
Company				
Issued and fully paid:				
At the beginning of the year	303,727	115,006	279,142	113,182
Issuance of shares	-	-	22,660	1,670
Warrants conversion	-	-	1,925	154
At the end of the year	303,727	115,006	303,727	115,006

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The difference in amounts in the Group's and the Company's share capital is due to the reverse takeover exercise in the past.