ACCRELIST LTD.

(Incorporated in Singapore with limited liability)
(Company registration number 198600445D)

ENTRY INTO TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE WELLNESS CLINIC PTE. LTD.

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1. INTRODUCTION

The Board of Directors ("**Board**") of Accrelist Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that it has entered into a term sheet ("**Term Sheet**") with Verita Healthcare Group Limited ("**Verita**") for the proposed acquisition of 100 shares in The Wellness Clinic Pte. Ltd. (the "**Target**"), comprising the entire issued and paid-up share capital of the Target (or an acquisition of the assets and liabilities of the Target, to be determined after due diligence to be conducted by the Company) (the "**Proposed Acquisition**").

2. INFORMATION ON THE TARGET AND VERITA

The Target operates a medical aesthetics clinic located in Singapore known as "The Wellness Clinic", which utilises a range of leading anti-ageing technology and equipment and specialises in a range of non-surgical aesthetics treatments to address dermatological conditions such as acne, pigmentation, open pores, lines, wrinkles and ageing skin.

Verita is a global provider of preventative, personalised healthcare and wellness services, which provides award winning medical solutions that integrate preventative, precision treatments and products with the power of medtech, analytics and artificial intelligence.

3. FINANCIAL ADVISER TO THE PROPOSED ACQUISITION AND ASSISTANCE IN THE FUND-RAISING EXERCISE

W Capital Markets Pte. Ltd. has been appointed as the Company's financial adviser in respect of the Proposed Acquisition. In addition, W Capital Markets Pte. Ltd. will be assisting the Company in respect of the Fund-Raising Exercise (as defined herein) once the Definitive Document(s) has been entered into.

4. RATIONALE FOR THE PROPOSED ACQUISITION

A.M. Aesthetics is the medical aesthetics arm of the Group which provides cosmetic dermatology and skin laser services and currently operates through a chain of medical aesthetics clinics in Singapore and Malaysia, which includes a joint venture with a partner which operates five medical aesthetic clinics in South Korea. As foreshadowed in the Group's annual report for the financial year ended 31 March 2019 ("**AR 2019**"), medical aesthetic treatments are becoming more widely accepted by affluent consumers and the Group expects demand to increase among Singapore's ageing population. This was evidenced by the profit before tax of more than S$1 million contributed by the medical aesthetics chain, as mentioned in the AR 2019. The Group therefore intends to continue to focus its resources to develop the Group's medical aesthetics segment into a regional medical aesthetics group, as the Board believes that the medical aesthetics segment has significant potential to deliver long-term benefit to the Group and build sustainable value for its shareholders. The Proposed Acquisition is strategic, as Verita operates specialist clinics, including a medical aesthetics practice, through the Target. The Proposed Acquisition

accordingly fits seamlessly with the Group's intention to expand its medical aesthetics business by broadening the Group's revenue stream and the growth of the Group in this area. The Proposed Acquisition is also expected to result in synergies for the Group and Verita, as the Group would be able to leverage and tap on the capabilities of Verita in their medical aesthetics practice post the Proposed Acquisition.

5. CERTAIN KEY TERMS RELATING TO THE PROPOSED ACQUISITION

The Term Sheet is intended to provide the basis for discussion between the parties of the definitive terms of the Proposed Acquisition, including terms such as the consideration payable and manner of payment thereof, as well as the preparation of definitive transaction documentation in respect of the Proposed Acquisition ("**Definitive Document(s)**").

5.1 Consideration

As at the date of this Announcement, the contemplated indicative consideration for the Proposed Acquisition is S$16,956,000, which is intended to be satisfied by the Company (i) in part by cash, which will be funded through a combination of internal resources and/or the Fund-Raising Exercise (as defined below), and (ii) in part by the allotment and issuance of ordinary shares in the capital of the Company ("**Consideration Shares**") at an indicative issue price of S$0.12 per Consideration Share, credited as fully paid up. The indicative consideration is calculated taking into consideration the normalised profit after tax[1] of the Target for the financial year ended 30 June 2019 ("**FY2019**").

Based on the information prepared and provided by Verita, the normalised profit after tax in respect of the Target for FY2019 was approximately S$1.41 million (subject to adjustments, as the case may be). Further details would be made as and when there are further developments in respect of the Proposed Acquisition.

5.2 Profit Guarantee

Pursuant to the Term Sheet, it is proposed that there would a profit guarantee of three years, to be given by Verita, in respect of the forward normalised profit after tax of the Target, terms of which to be discussed and set out in the Definitive Document(s). When considering the acceptance of a profit guarantee from Verita in the Definitive Document(s), the Board will take into account factors, including the track record and past financial performance of the Target and the intrinsic potential of the growth of the Target. The Board will also consider principal assumptions to be made, as well as safeguards to ensure the Company's right of recourse. Given that the Term Sheet is only intended to provide the basis for discussion between the parties of the definitive terms of the Proposed Acquisition, further details on such profit guarantee, including the acceptance thereof (if any), would be agreed upon and set out in the Definitive Document(s).

5.3 Conditions Precedent

Completion of the Proposed Acquisition is conditional on, amongst others, execution of the Definitive Document(s), satisfactory due diligence (including financial, business, legal and tax due diligence) on the Target, all necessary regulatory approvals as well as approval of the

[1] "**normalised profit after tax**" means the final reported earnings after tax for the operating business of the Target in the ordinary course (which would include any revenue generated from consumer signed packages, injectables and medical spa services, but would exclude any revenue generated from internal sales by the Target to Verita or its group companies) pursuant to the financial due diligence review to be conducted on the Target, and excluding any non-recurring items, including non-operating income and non-operating expenses (e.g. gains or losses from the disposal of assets, liabilities or investments).

Company's shareholders ("**Shareholders**") and Verita's shareholders being obtained, and completion of a fund-raising exercise by the Company for the purposes of the Proposed Acquisition (the "**Fund-Raising Exercise**").

5.4 Exclusivity

In connection with the Proposed Acquisition, Verita has also granted an exclusivity period of 12 weeks to the Company ("**Exclusivity Period**"), to undertake its due diligence, and the parties expect to concurrently negotiate on the terms of the Proposed Acquisition as well as Definitive Document(s). The exclusivity period may be further extended subject to the mutual agreement of Verita and the Company.

5.4 Termination

The Term Sheet will terminate on (a) the entry into the Definitive Document(s) or (b) the expiry of the Exclusivity Period, whichever is the earlier, unless otherwise agreed in writing between the Company and Verita.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, none of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company, if any.

7. FURTHER ANNOUNCEMENTS AND CAUTION IN TRADING

Based on the foregoing, the Proposed Acquisition, should it proceed, is envisaged to constitute a major transaction as defined under Chapter 10 of Section B of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**") and will be subject to, amongst others, the approval of the shareholders of the Company at an extraordinary general meeting to be convened. The Company will make further announcements as and when appropriate, including information required under Chapter 10 of the Catalist Rules, when any Definitive Document has been entered into in relation to the Proposed Acquisition.

The Board wishes to emphasise that the Term Sheet represents a non-binding agreement between the parties to the Term Sheet. The Proposed Acquisition is subject to conditions and there is no certainty or assurance as at the date of this announcement that the parties will in due course enter into any Definitive Document(s) as contemplated under the Term Sheet.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company as there is no certainty or assurance as at the date of this announcement that the Definitive Document(s) will be entered into, the terms and conditions of the Proposed Acquisition will not differ from that set out in the Term Sheet, or the Proposed Acquisition will be undertaken at all. 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 brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Terence Tea Yeok Kian
Executive Chairman and Managing Director
17 September 2019

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*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**"). The Sponsor has not independently verified the contents of this announcement.*

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:-

Name: Mr Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd.
Address: 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619
Tel: 6381 6757