

ACCRELIST LTD. (亚联盛控股公司)

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

DISPOSAL OF SHARES BY JUBILEE INDUSTRIES HOLDING LTD IN AN INDIRECT SUBSIDIARY

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Accrelist Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Company’s indirect subsidiary, WE Total Engineering Sdn. Bhd. (the “**Seller**”) has on 14 October 2022 entered into a sale and purchase agreement (the “**SPA**”) with Optium Gains International Limited (the “**Purchaser**”) for the disposal by Seller of 600,000 ordinary shares (the “**Sale Shares**”) in Honfoong Plastic Industries Pte. Ltd. (“**Honfoong**”), constituting 30% of the entire issued and paid-up share capital of Honfoong, on the terms and conditions of the SPA (the “**Disposal**”). The Seller is the subsidiary of Jubilee Industries Holdings Ltd (“**JIH**”), which is a subsidiary of the Company. Following the completion of the Disposal, the Seller will hold 40% of the shareholding interest in Honfoong.
- 1.2 The Disposal is considered a “disclosable transaction” of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rule**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).
- 1.3 All the terms used herein shall bear the same meaning as defined in the SPA.

2. INFORMATION RELATING TO HONFOONG AND THE PURCHASER

2.1. Information relating to Honfoong

Honfoong is a private company limited by shares incorporated in Singapore on 26 November 1979. It has an existing issued and paid-up capital of S\$2 million and its principal business includes the manufacture and dealer of precision plastic and metal moulds. As of date of this announcement, the Seller owns 70% of the entire paid-up share capital of Honfoong and the remaining 30% are owned by individuals.

2.2. Information relating to the Purchaser

The information on the Purchaser provided below was provided by the Purchaser. The Board has not conducted an independent review or verification of the accuracy of the statements and information below. The Company’s responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

The Purchaser is a company incorporated in Hong Kong in 2011 and has a strong workforce of 150 employees. The main business of the Purchaser is the production, processing and assembly of computers, mobile phones, as well as other electronic accessories.

To the best of the Company's knowledge, the Purchaser does not have any connection (including business relationship or dealings) with the Company, its Directors and (as far as the Company is aware) the substantial shareholders of the Company. As at the date of this announcement, the Purchaser does not have any interest, direct or indirect, in the Shares of the Company.

3. PRINCIPAL TERMS OF THE DISPOSAL

3.1 Consideration

The aggregate consideration is S\$1,500,000 in cash (the "**Consideration**") payable to JIH upon the execution of the SPA ("**Upfront Payment**"). The Consideration was arrived at on a willing-buyer willing-seller basis, taking into account the current market condition of the plastic manufacturing industry and the net asset value attributed to the Sale Shares.

3.2 Conditions Precedent

Completion of the SPA is conditional upon the following conditions (the "**Conditions Precedent**") having been satisfied by the Seller or the Purchaser (as the case may be) or waived in writing by the relevant party on or before the second business day after the Conditions Precedents are fulfilled or otherwise agreed ("**Completion Date**"):

- (a) the Purchaser shall in all respects be reasonably satisfied with the results of its due diligence on the Company;
- (b) the execution of a deed of assignment of debt among Honfoong, the Seller and WE Component Pte. Ltd. ("**WEC**") in relation to the debt owing by the Company to WEC amounting to S\$2,212,056;
- (c) the Seller shall have delivered to the Purchaser, its confirmation that it has received the Upfront Payment from the Purchaser in full and that any Upfront Payment obligations under this SPA have been fully discharged by the Purchaser;
- (d) there having been no material breach of any of the warranties set out in the SPA of the relevant party as at the date of the SPA and on the Completion Date, Honfoong having obtained all necessary and relevant approvals for all transactions under the SPA;
- (e) the approval from the board of directors, the shareholders of JIH and the shareholders of the Company being obtained for the transactions described in this SPA at a general meeting of such shareholders, if necessary;
- (f) 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 or authority; and
- (g) 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.

The Seller and Purchaser shall take all steps necessary to satisfy the Conditions Precedent promptly and, shall notify each other in writing promptly upon becoming aware that any of the

Conditions Precedent have been satisfied. If at any time a party becomes aware of any event, circumstance, fact or condition that would be reasonably likely to prevent any of the Conditions Precedent being satisfied or of any breach of this SPA, that party shall forthwith inform the other party in writing.

For avoidance of doubt, in the event that any of the Conditions Precedent have not been fulfilled (and has not been waived) by 28 February 2023, being the Longstop Date, the SPA may be terminated by the relevant party or mutually agree on a revised Longstop Date.

3.3 Completion

The date of completion for the SPA shall be the second business day after the Conditions Precedent are fulfilled ("**Completion**"), or such other date as mutually agreed between the parties. Without prejudice to any other remedies available to any of the parties, if in any requirements are not complied with by any of the parties on the Completion Date (unless waived in writing by the relevant party), the non-defaulting party may a) defer Completion to a business day which is not more than ten (10) business days after the Completion Date; or b) where possible, proceed to Completion as far as practicable on the basis that the relevant party's obligation in respect of the deliverable(s) which may not have been complied with shall be held over to such future dates as may be agreed between the parties; or c) terminate the SPA without liability on its part, in which event each party's further rights and obligations cease immediately on termination, but termination does not affect a party's accrued rights and obligations at the date of termination.

4. FINANCIAL EFFECTS

4.1 For the purposes of illustration only, the following is an analysis and illustration of the proforma financial effects of the Disposal on the net tangible assets per share and earnings per share of the Company based on the latest announced unaudited consolidated financial results for the financial year ending 31 March 2022 ("**FY2022**"). The financial effects set out below are on the following bases and assumptions:

- (a) the financial impact on the net tangible assets per share is computed based on the assumption that the Disposal had been effected at the end of FY2022; and
- (b) the financial impact on the earnings per share is computed based on the assumption that the Disposal had been effected at the beginning of FY2022.

Net Tangible Assets ("NTA") per share

	Before the Disposal	After the Disposal
Consolidated NTA attributable to shareholders of the Company (" Shareholders ") (S\$'000)	41,516	43,016
Weighted average number of issued share ('000)	293,421	293,421
NTA per share (S\$ cents)	14.15	14.66

Loss per share

	Before the Disposal	After the Disposal
Loss for the period attributable to equity holders of the Group (S\$'000)	1,921	933
Weighted average number of issued share ('000)	293,421	293,421
Loss per share (S\$ cents)	0.65	0.32

5. DISCLOSURE UNDER CHAPTER 10 OF THE CATALIST RULES

- 5.1 Rule 1002(1) of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) states, *inter alia*, that a “transaction” refers to the acquisition or disposal of assets by an issuer or subsidiary that is not listed on the Exchange or an approved exchange. As the disposal is made by JIH, which is listed on the Catalist Board of the SGX-ST, therefore the transaction should not be subject to Chapter 10 of the Catalist Rules.

For the purpose of adequate disclosure to the Shareholders, the Company has shown the computation of relative figures and the classification of the transaction under Rule 1006 of the Catalist Rules below, based on the assumption that Chapter 10 of the Catalist Rules are applicable.

- 5.2 The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in relation to the Disposal based on the Group’s latest announced unaudited consolidated financial statements of the Group are as follows:

Rule 1006(a)	net asset value of the assets to be disposed of S\$(298,000), compared with the group's net asset value of S\$27,132,000 ⁽¹⁾	(1.10%)
Rule 1006(b)	net loss attributable to the assets acquired or disposed of S\$206,000, compared with the group's net loss of S\$3,813,000 ⁽²⁾	5.4%
Rule 1006(c)	aggregate value of the Consideration of S\$1,500,000 compared with the Company's market capitalization ⁽³⁾ of S\$11,541,637	13.00%
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	Not applicable
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

Notes:-

- (1) based on the Group's latest announced unaudited condensed interim financial statements for FY2022.
- (2) based on the Group's latest announced unaudited condensed interim financial statements for FY2022, There is a gain of S\$600,000 on the Disposal.
- (3) "market capitalisation" is calculated by the number of shares of the Company (excluding treasury shares) multiplied by the volume weighted average market price of S\$0.038 of the Company's shares as at 13 October 2022, being the market day preceding the date of the SPA, the Group's market capitalization calculated based on the total number of issued shares being 303,727,289 shares excluding treasury shares is approximately S\$11,541,637.

- 5.4 Catalyst Rule 1007(1) states, *inter alia*, that if any of the relative figures computed pursuant to Catalyst Rule 1006 involves a negative figure, Chapter 10 of the Catalyst Rules may still be applicable to the transaction in accordance with the applicable circumstances. Firstly, having considered paragraph 4.3(c) of Practice Note 10A of the Catalyst Rules, none of the absolute relative figures of Catalyst Rule 1006(b) and 1006(c) exceeds 50%. In addition, there is a gain of S\$600,000 on the Disposal.

Having considered paragraph 4.4(d) of Practice Note 10A of the Catalyst Rules, none of the absolute relative figures of Catalyst Rule 1006(a) and 1006(c) exceeds 50%. In addition, there is a gain of S\$600,000 on the Disposal.

6. RATIONAL FOR THE DISPOSAL AND USE OF PROCEEDS

- 6.1 The Disposal is part of the JIH's on-going efforts to rationalise its businesses and will allow JIH to capitalise on growth opportunities, unlock the value of the assets in Honfoong and re-strategise its financial and capital resources.

To the fullest extent permissible under the laws, JIH intends to return the full amount of the sale proceeds to the shareholders in an effective and cost efficient manner.

7. FURTHER ANNOUNCEMENT

- 7.1 The Company will make an announcement disclosing further details of the Disposal and will make appropriate update announcement(s) relating to the Disposal, Upfront Payment at the relevant time.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 8.1 As at the date of this announcement, save for their shareholdings in the Company, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Disposal.

9. SERVICE CONTRACTS

- 9.1 No person is proposed to be appointed as a director of the Company in connection with the Disposal. 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 (including any Director who may have been delegated detailed supervision of the preparation of this announcement) 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 and that the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. 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. DOCUMENTS AVAILABLE FOR INSPECTION

- 11.1 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.

12. 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 brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Dr. Terence Tea
Executive Chairman and Managing Director
14 October 2022

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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