

## ACCRELIST LTD.

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

---

### RESPONSES TO SGX-ST'S QUERIES ON THE PROPOSED PLACEMENT

---

*Unless otherwise defined, all capitalised terms used herein shall have the meanings ascribed to them in the announcement (the "**Announcement**") dated 18 August 2021 by Accrelist Ltd. (the "**Company**").*

The board of directors (the "**Directors**") of the Company wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to the Company, in relation to the Proposed Placement.

#### 1. Use of proceeds

*The Company is proposing to undertake the Proposed Placement to strengthen its general working capital, given that, whilst the current working capital position of the Group is sufficient for present purposes, the increase in the general working capital base will allow the Group to capitalise on growth opportunities in its existing businesses in order to undertake projects and/or transactions, which could in turn, increase the Group's revenue.*

*Notwithstanding that the Group has cash balances of S\$6.4 million as at 31 March 2021, it should be noted that most of such cash balances comprise cash balances of Jubilee, being a subsidiary of the Company, and such cash balances pertaining to Jubilee have already been earmarked for use or are otherwise committed. From the Company's FY2021 AR, the Company has cash balances of S\$255K as at 31 March 2021. In the Proposed Placement announcement, the Directors are of the opinion that the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements (in accordance to Rule 810(1)(c)(i)).*

- *Please provide the Board's consideration and basis in providing the confirmation on working capital adequacy under Rule 810(1)(c)(i).*
- *Please provide a further breakdown on the use of proceeds for the Group's general working capital, as required under Rule 810(1)(b).*

#### Company's response

- (a) The Board's confirmation on working capital adequacy is supported by the Group's latest audited financial statements for the year ended 31 March 2021 (the "**FY2021 Financial Statements**") published on 15 July 2021, which has a positive working capital position of S\$18.9 million, and a net asset value of approximately S\$27.6 million. Although Jubilee has earmarked its cash balances, the subsidiaries of the Company, including Jubilee contributes to the Group's working capital and the Group can also consider adjusting the Group's earmarked commitments based on the Group's requirements should the need arise.

It should also be noted that there were also no going concern issues raised in the FY2021 Financial Statements with regard to the Group's and Company's ability to

continue as a going concern. Apart from the Jubilee Placement, there has also not been any material changes pertaining to the FY2021 Financial Statements to date.

- (b) Please refer to paragraphs 6.1 and 6.3 of the Announcement. For the reasons elaborated under paragraphs 6.1 and 6.3 of the Announcement, no concrete plans can and have been made in respect of the proposed use of proceeds as stated therein and accordingly, a breakdown of the use of proceeds cannot be determined as at the date hereof.

As mentioned in the Announcement, one of the potential uses of the proceeds from the Proposed Placement is to further the Group's expansion of its medical aesthetics business by way of opening new outlets, as the business has undergone significant growth as evidenced by the Group's opening of new medical aesthetics outlets at Serangoon and Raffles City, in the past financial year. However, as mentioned under paragraph 6.1 of the Announcement, the viability of any new opening opportunity, whether in Singapore or overseas, and the location of such outlets, would need to be individually assessed and accordingly, definite plans to open new outlets cannot be determined as at the date hereof.

Further, in order to steadily expand its existing clinics to meet growing customer demand, the Group may also utilise a portion of the proceeds to engage in enhancement and upgrading works for its existing clinics. For instance, as mentioned in the press release made by the Company on 18 August 2021, both the Bedok Mall and SingPost Centre clinics are expected to move to a larger space within both malls, more than doubling the number of treatment rooms at each clinic for increased capacity to serve more customers. In this regard, the Group may consider using a portion of the proceeds to fund such upgrading works and may also use a portion of the proceeds to fund upgrading works for other existing outlets. However, as mentioned under paragraph 6.1 of the Announcement, with the developing COVID-19 conditions amongst others, the type and scale of expansion or enhancement to be made to other existing outlets will still need to be assessed.

Accordingly, for the foregoing reasons, the Board is of the opinion that having funds ready for utilisation and deployment will be advantageous to the Company should suitable expansion opportunities arise, whether by way of opening new outlets or carrying out enhancement works for existing ones, in order to enable the Company to implement its growth plans speedily.

## **2. Introducer Fee**

***It was stated in the announcement that the Proposed Placement was only contemplated by Accrelist after completion of the Jubilee Placement and accordingly, the Jubilee Placement and the Proposed Placement are independent exercises and are not contingent upon each other.***

***The Placees were introduced to the Company by Lye Won Fui, who is the same introducer for Jubilee's recent placement in July 2021.***

***Considering that 4 out of the 6 placees are existing shareholder of Accrelist and /or placees in Jubilee's recent placement, please explain the Board's considerations in requiring an introducer for the Proposed Placement by Accrelist, as well as the role of the introducer.***

### **Company's response**

By way of background, the Company had attempted to secure funding on its own prior to the Proposed Placement for the purposes as set out in the Announcement and as set out in the

response to the first query above. However, such attempts have not been fruitful due to the uncertainties brought about by the evolving COVID-19 situation affecting the general economy. As such, the Company obtained assistance from the Introducer, who was able to provide contact between the Placees and the Company, for the Proposed Placement.

It is highlighted that although 4 out of the 6 Placees are either existing shareholders of Accrelist and/or Placees in Jubilee's recent placement, the Proposed Placement is an independent fundraising exercise from Jubilee's recent placement as it only came to be considered by the Board after the conclusion of Jubilee's recent placement.

Further, notwithstanding that Jubilee is a subsidiary of the Company, it should be noted that both companies are separate entities, with different business operations, different business strategies and considerations, as well as different management teams, amongst others. However, while some of the Placees are Placees in the Jubilee Placement exercise, given the foregoing, in particular that the Company and Jubilee are in distinct industries different factors would be considered, it would not have been immediately clear to the Company as to whether any of the Placees who had participated in Jubilee Placement, would similarly be interested in the Proposed Placement to be carried out by the Company. Accordingly, the Company had approached the Introducer to introduce potential Placees for the Company's Proposed Placement for further discussion with the Company directly, when the Company decided to proceed with a placement exercise after attempting to secure funding on its own. Given that the Introducer is an independent third party, the Company would not have any control or influence over potential Placees who may be introduced to the Company for the Proposed Placement.

#### **BY ORDER OF THE BOARD**

**Dr. Terence Tea**  
**Executive Chairman and Managing Director**

**20 August 2021**

---

*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 Mr Shervyn Essex - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com*