

APPENDIX TO AGM NOTICE DATED 11 NOVEMBER 2022

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares in the capital of Accrelist Ltd. (the “**Company**”), you should immediately forward this Appendix, the Notice of Annual General Meeting and the Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The Notice of the Annual General Meeting and the Proxy Form are enclosed with the Annual Report 2022 (the “**Annual Report**”).

The legal advisers appointed by the Company for the purpose of the corporate action set out in this Appendix is WNLEX LLC.

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

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

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



ACCRELIST LTD.

亚联盛控股公司

UNEARTHING TOMORROW'S GEM

发掘光辉 开创未来

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198600445D)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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DEFINITIONS

The following definitions apply throughout in this Appendix except where the context otherwise requires:-

<i>“Accrelist Share Award Scheme”</i>	The share award scheme approved by the Shareholders in the extraordinary general meeting on 25 May 2010, formerly known as WE Share Award Scheme
<i>“AGM”</i>	The annual general meeting of the Company to be held by electronic means on 28 November 2022 at 10.00 a.m.
<i>“Annual Report”</i>	Annual Report of the Company
<i>“Appendix”</i>	This Appendix to the Notice of AGM dated 11 November 2022
<i>“Average Closing Price”</i>	Has the meaning ascribed to it in Paragraph 3.4.3 of this Appendix
<i>“Board”</i>	The Board of Directors of the Company
<i>“Catalist Rules”</i>	Section B: Rules of Catalist of the Listing Manual of SGX-ST, as amended or modified from time to time
<i>“CDP” or “Depository”</i>	The Central Depository (Pte) Limited
<i>“Company”</i>	Accrelist Ltd.
<i>“Companies Act”</i>	The Companies Act 1967, as amended or modified from time to time
<i>“Constitution”</i>	The constitution of the Company, as may be amended or modified from time to time
<i>“Directors”</i>	The directors of the Company as at the date of this Appendix or at any relevant time as the case may be
<i>“FY”</i>	Financial year ending 31 March
<i>“Group”</i>	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	31 October 2022 being the latest practicable date prior to the printing of this Appendix for ascertaining information included herein
<i>“Listing Manual”</i>	The listing manual of the SGX-ST, or the rules contained therein, as may be amended, varied or supplemented from time to time
<i>“LPS”</i>	Loss per Share
<i>“Market Day”</i>	A day on which the SGX-ST is open for trading in securities
<i>“Maximum Price”</i>	Has the meaning ascribed to it in Paragraph 3.4.2 of this Appendix
<i>“Market Purchase”</i>	Has the meaning ascribed to it in Paragraph 3.3 of this Appendix
<i>“Notice of AGM”</i>	The notice of AGM dated 11 November 2022 attached to the Annual Report

DEFINITIONS

<i>“NTA”</i>	Net tangible assets
<i>“Off-Market Purchase”</i>	Has the meaning ascribed to it in Paragraph 3.3 of this Appendix
<i>“Proxy Form”</i>	The proxy form in respect of the EGM as set out in this Appendix
<i>“Register of Substantial Shareholders”</i>	Register of Substantial Shareholders of the Company maintained pursuant to Section 88 of the Companies Act
<i>“Register of Directors’ Shareholdings”</i>	Register of Directors of the Company maintained pursuant to Section 164 of the Companies Act
<i>“Relevant Period”</i>	The period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Buyback Mandate has passed
<i>“Securities Account”</i>	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“SGX-ST”</i>	Singapore Exchange Securities Trading Limited
<i>“Share Buyback Mandate”</i>	A general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in the Appendix as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
<i>“Shareholders”</i>	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with the Shares
<i>“Shares”</i>	Ordinary shares in the share capital of the Company
<i>“SIC”</i>	The Securities Industry Council of Singapore
<i>“Substantial Shareholder”</i>	A Shareholder who has an interest in not less than five per cent. (5%) of the total issued and voting share capital of the Company
<i>“Take-over Code”</i>	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
<i>“Treasury Share(s)”</i>	A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled
<i>“%” or “per cent.”</i>	Percentage or per centum
<i>“S\$”, “\$” and “cents”</i>	Singapore dollars and cents, respectively

DEFINITIONS

The expressions “**associate**”, “**associated company**”, “**related entity**”, “**related corporation**”, “**subsidiary**”, “**Controlling Shareholders**” and “**Substantial Shareholder**” shall have the meaning ascribed to them respectively in the Fourth Schedule of the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005, the Companies Act and the Catalist Rules.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005 and the Catalist Rules or any modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005 and the Catalist Rules or modification as the case may be.

Any reference in this Appendix to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise stated.

LETTER TO SHAREHOLDERS

ACCRELIST LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198600445D)

Directors:

Terence Tea Yeok Kian (Executive Chairman and Managing Director)
Ng Li Yong (Lead Independent Director)
Lim Yeow Hua @ Lim You Qin (Non-Executive and Independent Director)
Kang Pang Kiang (Non-Executive and Non-Independent Director)

Registered Office:

10 Ubi Crescent, Ubi Techpark,
Lobby E #03-95
Singapore 408564

Date: 11 November 2022

To: The Shareholders of ACCRELIST LTD.

Dear Sir / Madam,

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

- 1.1** We refer to (a) the notice of the annual general meeting ("**AGM**") to the Shareholders of the Company dated 11 November 2022 (the "**Notice of AGM**") accompanying the Company's Annual Report for the financial year ended 31 March 2022 ("**FY2022**"), convening the AGM to be held by electronic means on 28 November 2022 at 10.00 a.m. and (b) ordinary resolution No. 4 set out in the Notice of AGM.
- 1.2** The purpose of this Appendix is to provide Shareholders with relevant information pertaining to the proposed renewal of the Share Buyback Mandate and to seek Shareholders' approval for the resolution in respect thereof to be tabled at the AGM.
- 1.3** The SGX-ST assumes no responsibility for the accuracy of any of the statements or opinions made or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Introduction

- 2.1.1** Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act and the Catalist Rules and such other laws and regulations as may, for the time being, be applicable. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders.
- 2.1.2** At the previous annual general meeting of the Company held on 30 July 2021, shareholders had approved the grant of a share buyback mandate (the "**Share Buyback Mandate**") to enable the Company to purchase or otherwise acquire its issued shares in the capital of the Company. The rationale for the authority and limitations on, and the financial effects of, the Share Buyback Mandate were set out in the Company's Appendix to Shareholders dated 15 July 2021.
- 2.1.3** As the said Share Buyback Mandate will expire on the forthcoming annual general meeting, being 28 November 2022, the Directors propose that the Share Buyback Mandate be renewed at the forthcoming AGM.
- 2.1.4** If approved by the Shareholders at the AGM, the authority conferred by the renewed Share Buyback Mandate will take effect from the date of the AGM and continue in force until the date of the next AGM of the Company or such date as the next AGM is required by law or by

LETTER TO SHAREHOLDERS

the Constitution of the Company, whereupon it will lapse, unless renewed at such meeting, unless prior thereto, share buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting. The Share Buyback Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

2.2 Rationale for the Share Buyback Mandate

2.2.1 The rationale for the Company to undertake the purchase or acquisition of its Shares pursuant to the Share Buyback Mandate is as follows:

- (a) to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced;
- (b) to provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA per Share;
- (c) to help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders confidence; and
- (d) to be used to purchase existing Shares which may then be held in treasury, and such Treasury Shares may consequently be transferred for the purposes of or pursuant to the Accrelist Share Award Scheme in order to satisfy the awards given thereunder (if any).

2.2.2 If and when circumstances permit, the Directors will decide whether to effect Share purchases via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

2.2.3 The Company will only purchase or acquire Shares pursuant to the Share Buyback Mandate if the Directors are of the view that it would benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out at all, or to the full limit as authorised. The Directors do not propose to carry out share buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

3. AUTHORITY AND LIMITS OF THE SHARE BUYBACK MANDATE

The authority and limitations placed on purchases of Shares by the Company under the renewed Share Buyback Mandate are summarised below:

3.1 Maximum Number of Shares

3.1.1 Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

3.1.2 The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued ordinary share capital (excluding Treasury Shares and subsidiary holdings) of the Company as at the date of the AGM at which the renewed Share Buyback Mandate is approved (the "**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any Treasury Shares that may be held by the Company from time to time).

LETTER TO SHAREHOLDERS

3.1.3 Purely for illustrative purposes, on the basis of the existing issued and paid-up capital of the Group as at the Latest Practicable Date, comprising 303,727,293 Shares (excluding Treasury Shares and subsidiary holdings), and assuming that no further Shares are issued on or prior to the AGM, not more than approximately 30,372,729 Shares (representing approximately 10% of the issued ordinary share capital of the Company as at that date excluding Treasury Shares and subsidiary holdings currently held) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the share buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

3.3 Manner of Purchase or Acquisition of Shares

3.3.1 Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s) (each a “**Market Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) (each an “**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act.

3.3.2 The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

3.3.3 Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that offers may relate to shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

LETTER TO SHAREHOLDERS

3.3.4 In addition, the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share buyback;
- (d) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share buybacks, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (f) details of any share buybacks made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of the Shares purchased, the purchase price per Share or the highest or lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

3.4 Maximum Purchase Price

3.4.1 The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

3.4.2 However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

3.4.3 For the purposes of determining the Maximum Price:

- (a) "**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares were transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5)-day period; and
- (b) "**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

LETTER TO SHAREHOLDERS

4. STATUS OF PURCHASED SHARES UNDER THE SHARE BUYBACK MANDATE

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a Treasury Share to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

5. TREASURY SHARES

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

5.1 Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares.

5.2 Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus Shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Share into Treasury Shares of a greater or smaller number is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

5.3 Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the Treasury Shares for cash;
- (b) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the Treasury Shares; or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

6. SOURCE OF FUNDS FOR SHARE BUYBACK

- 6.1 The Company may not purchase or acquire its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

LETTER TO SHAREHOLDERS

6.2 Any purchases or acquisitions of Shares may be made only if the Company is solvent and out of the Company's capital or profits. It is an offence for a Director or manager of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Companies Act, a company is solvent if:

6.2.1 there is no ground on which the company could be found to be unable to pay its debts;

6.2.2 where –

- (a) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
- (b) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

6.2.3 the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

6.3 The Company may use internal resources or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Buyback Mandate. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

7. FINANCIAL EFFECTS OF THE SHARE BUYBACK MANDATE

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Group and the Company, based on the audited financial statements of the Group for FY2022, are based on the assumptions set out below.

7.1 Purchase or Acquisition out of Capital or Profits

7.1.1 Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

7.1.2 Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

7.2 Number of Shares purchased or acquired

As at the Latest Practicable Date, the issued capital of the Company comprised 303,727,293 Shares (excluding Treasury Shares and subsidiary holdings). Based on the issued and paid-up ordinary share capital of the Company as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 30,372,729 Shares.

LETTER TO SHAREHOLDERS

7.3 Maximum price paid for Shares purchased or acquired

- 7.3.1 In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 30,372,729 Shares at the Maximum Price of S\$0.0399 for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares over the last five (5) Market Days preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 30,372,729 Shares is S\$1,211,872.
- 7.3.2 In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 30,372,729 Shares at the Maximum Price of S\$0.0456 for one Share (being the price equivalent to 20% above the average of the closing market prices of the Shares over the last five (5) Market Days preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 30,372,729 Shares is S\$1,384,996.

7.4 Illustrative Financial Effects

- 7.4.1 For illustrative purposes only, based on the basis of the assumptions set out above, and based on audited financial statements of the Company and the Group for FY2022, and assuming that:

- (a) Shares purchases are made to the extent aforesaid;
- (b) such Shares purchases are funded by internal resources within the Group or external borrowings or a combination of both; and
- (c) the Company had purchased 30,372,729 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date) on 31 March 2022 by way of Shares purchases made entirely out of capital,

the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and Group for FY2022,

- (i) by way of purchases made entirely out of capital and held as Treasury Shares; and
- (ii) by way of purchases made entirely out of capital and cancelled,

would have been as follows:

Note: No illustrations will be shown for purchases made out of profits as the Company does not have sufficient revenue reserves or profits to do so.

LETTER TO SHAREHOLDERS

(A) Market Purchases

Purchases made entirely out of capital

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase		Before Share Purchase	After Market Purchase	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
As at 31 March 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	74,315	73,103	74,315	115,006	113,794	115,006
Retained earnings	(60,160)	(60,160)	(60,160)	(79,470)	(79,470)	(79,470)
Other Reserves	2,113	2,113	2,113	–	–	–
	16,268	15,056	16,268	35,536	34,324	35,536
Treasury shares	–	–	(1,212)	–	–	(1,212)
Total Shareholders' funds ⁽¹⁾	16,268	15,056	15,056	35,536	34,324	34,324
NTA ⁽²⁾	14,638	13,426	13,426	35,536	34,324	34,324
Current assets	57,509	57,509	57,509	9,192	9,192	9,192
Current liabilities	43,145	44,357	44,357	5,562	6,774	6,774
Working Capital	14,364	13,152	13,152	3,630	2,418	2,418
Total borrowings	15,131	16,343	16,343	–	1,212	1,212
Cash and cash equivalents	9,757	9,757	9,757	476	476	476
Net profit/(loss) after tax	(15,377)	(15,377)	(15,377)	(1,340)	(1,340)	(1,340)
Number of Shares (in '000)	303,727	273,354	303,727	303,727	273,354	303,727
Weighted average number of shares (in '000)	293,422	263,049	293,422	293,422	263,049	293,422
Financial Ratios						
NTA per Share (cent) ⁽³⁾	4.82	4.91	4.42	11.70	12.56	11.70
Gearing ratio (times) ⁽⁴⁾	0.93	1.09	1.09	–	0.04	0.04
Current ratio (times) ⁽⁵⁾	1.33	1.30	1.30	1.65	1.36	1.36
LPS (cent)	(5.24)	(5.85)	(5.24)	(0.46)	(0.51)	(0.46)

Notes:-

- (1) Total shareholders' funds exclude non-controlling interests.
- (2) NTA refers to net assets less intangible assets and non-controlling interests.
- (3) NTA per Share is computed based on the NTA (i.e., net assets less intangible assets and non-controlling interests) divided by the number of Shares issued.
- (4) Gearing ratio equals to total borrowings divided by shareholders' funds.
- (5) Current ratio equals to current assets divided by current liabilities.

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(B) Off-Market Purchases

Purchases made entirely out of capital

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase		Before Share Purchase	After Market Purchase	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
As at 31 March 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	74,315	72,930	74,315	115,006	113,621	115,006
Retained earnings	(60,160)	(60,160)	(60,160)	(79,470)	(79,470)	(79,470)
Other Reserves	2,113	2,113	2,113	–	–	–
	16,268	14,883	16,268	35,536	34,151	35,536
Treasury shares	–	–	(1,385)	–	–	(1,385)
Total Shareholders' funds ⁽¹⁾	16,268	14,883	14,883	35,536	34,151	34,151
NTA ⁽²⁾	14,638	13,253	13,253	35,536	34,151	34,151
Current assets	57,509	57,509	57,509	9,192	9,192	9,192
Current liabilities	43,145	44,530	44,530	5,562	6,947	6,947
Working capital	14,364	12,979	12,979	3,630	2,245	2,245
Total borrowings	15,131	16,516	16,516	–	1,385	1,385
Cash and cash equivalents	9,757	9,757	9,757	476	476	476
Net profit/(loss) after tax	(15,377)	(15,377)	(15,377)	(1,340)	(1,340)	(1,340)
Number of Shares (in '000)	303,727	273,354	303,727	303,727	273,354	303,727
Weighted average number of shares (in '000)	293,422	263,049	293,422	293,422	263,049	293,422
Financial Ratios						
NTA per Share (cent) ⁽³⁾	4.82	4.85	4.36	11.70	12.49	11.24
Gearing ratio (times) ⁽⁴⁾	0.93	1.11	1.11	–	0.04	0.04
Current ratio (times) ⁽⁵⁾	1.33	1.29	1.29	1.65	1.32	1.32
LPS (cent)	(5.24)	(5.85)	(5.24)	(0.46)	(0.51)	(0.46)

Notes:-

- (1) Total shareholders' funds exclude non-controlling interests.
- (2) NTA refers to net assets less intangible assets and non-controlling interests.
- (3) NTA per Share is computed based on the NTA (i.e., net assets less intangible assets and non-controlling interests) divided by the number of Shares issued.
- (4) Gearing ratio equals to total borrowings divided by shareholders' funds.
- (5) Current ratio equals to current assets divided by current liabilities.

7.4.2 Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited consolidated financial statements for FY2022 and are not necessarily representative of future financial performance of the Group.

7.4.3 The Company will take into account both financial factors (for example, cash surplus, debt position and working capital requirement) and non-financial factors (for example, Share market conditions and the performance of the Shares) in assessing the relative impact of a Share buyback before execution.

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7.4.4 Purchases of Shares by the Company pursuant to the Share Buyback Mandate will only be made in circumstances where it is considered to be in the best interests of the Company. It should be noted that purchases pursuant to the Share Buyback Mandate may not necessarily be carried out to the full 10% as mandated. Further, the Directors do not propose to exercise the Share Buyback Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

8. CATALIST RULES

- 8.1** The Catalist Rules specify that a listed company shall announce all purchases or acquisitions of its shares to SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details, including but not limited to, of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.
- 8.2** While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by SGX-ST, the Company will not purchase or acquire any Shares pursuant to the proposed Share Buyback Mandate during the period commencing two (2) weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the company’s full year financial statements (if required to announce quarterly financial statements), or one (1) month before the announcement of the company’s half year and full year financial statements (if not required to announce quarterly financial statements).
- 8.3** The Catalist Rules requires a listed company to ensure that at least 10% of the total number of any class of its listed securities must be held by public shareholders. The “public”, as defined under the Listing Manual, are persons other than the Directors, Substantial Shareholders, chief executive officers or Controlling Shareholders of the company and its subsidiaries, as well as associates of such persons. As at the Latest Practicable Date, 203,560,722 Shares representing 67.02% of the issued Shares are held by public Shareholders. In the event that the Company purchases the maximum of 10% of its issued ordinary share capital from such public Shareholders, the resultant percentage of the issued Shares held by the public Shareholders would be reduced to approximately 63.36%. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

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9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, are as follows:

	Number of ordinary Shares			
	Direct Interest	%	Indirect Interest	%
Directors				
Terence Tea Yeok Kian	64,436,056 ⁽¹⁾	21.22	2,271,900 ⁽²⁾	0.75
Ng Li Yong	—	—	—	—
Lim Yeow Hua @ Lim You Qin	—	—	—	—
Kang Pang Kiang	—	—	—	—
Substantial Shareholders (excluding Directors)				
Toh Soon Huat	1,859,215	0.61	31,599,400 ⁽³⁾	10.40

Notes:-

- (1) Inclusive of 48,350 Shares which are held through CPF investment account.
- (2) Mr Terence Tea Yeok Kian is deemed interested in the 2,271,900 issued Shares of the Company held by his wife, Ms Sim Aileen.
- (3) Mr Toh Soon Huat's deemed interested in the 31,599,400 Shares held in the name of Philip Securities Pte Ltd.

Save as disclosed in this Appendix, the Directors and the Substantial Shareholders of the Company do not have any interest, whether directly or indirectly, in the Shares.

10. SHARES PURCHASED BY THE COMPANY IN THE PAST TWELVE (12) MONTHS

The Company has not purchased any Shares within the twelve (12) months preceding the Latest Practicable Date.

11. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or to who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

12. ABSTENTION FROM VOTING

Mr Terence Tea Yeok Kian, shall abstain from voting on the resolution to the proposed renewal of the Share Buyback Mandate at the AGM, and the Company shall disregard any votes cast by Mr Terence Tea Yeok Kian on the said resolution. Mr Terence Tea Yeok Kian shall not accept appointment as proxies for Shareholders to vote on the resolution in relation to the proposed renewal of the Share Buyback Mandate, unless specific instructions have been given in the Proxy Form(s) on how the votes are to be cast in respect of such resolution.

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13. DIRECTORS' RECOMMENDATION

As Mr Terence Tea Yeok Kian is a concert party, he shall be abstaining from making a recommendation on the proposed Share Buyback Mandate.

Save for the aforementioned, the Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate as set out in the Notice of AGM.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the renewed Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of Appendix would make any statement in this Appendix misleading. Where information in the Appendix 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 the Appendix in its proper form and context.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

15.1 AGM to be convened by way of Electronic Means

Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the AGM will be held by way of electronic means and the members will NOT be allowed to attend the AGM in person. However, an alternative arrangement has been provided to allow the members to participate and vote in the AGM via electronic means.

15.2 Alternative Arrangements relating to Attendance at the AGM

Alternative arrangements relating to:

15.2.1 attendance at the AGM via electronic means;

15.2.2 submission of questions to the Chairman of the AGM in advance of, or "live" through the audio-visual webcast platform at the AGM; and

15.2.3 voting at the AGM (i) "live" by Shareholders or his/her duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means or (ii) by appointing the Chairman of the AGM as proxy to vote on the Shareholders' behalf at the AGM

are set out in the Notice of AGM, which may be accessed at the Company's website at the following URL: <http://accrelist.listedcompany.com/>, and is made available with this Notice of AGM on SGXNET at the following URL: <https://www.sgx.com/securities/company-announcements>.

15.3 Submission of Proxy Forms

The proxy form must be submitted to the Company in the following manner:

15.3.1 by depositing a hard copy by post at the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or

15.3.2 by sending a scanned PDF copy by email to shareregistry@incorp.asia,

in either case, no later than **10:00 a.m. on 26 November 2022**.

Please refer to the Notice of AGM for all the relevant information.

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16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following are available for inspection at the registered office of the Company at 10 Ubi Crescent Ubi Techpark, Lobby E #03-95, Singapore 408564 during normal business hours from the date of this Appendix up to and including the date of the AGM:-

- (a) Constitution of the Company; and
- (b) the Annual Report of the Company for financial year ended 31 March 2022.

Yours faithfully

For and on behalf of the Board of

ACCRELIST LTD.



Terence Tea Yeok Kian

Executive Chairman and Managing Director

11 November 2022