

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

CONVERTIBLE LOAN AGREEMENT: REPLACEMENT ANNOUNCEMENT

Unless otherwise specified herein or where the context otherwise requires, capitalized terms used in this announcement shall have the same meaning as used in the Convertible Loan Agreement entered into between the Company and the Lender dated 22 November 2016 and the initial announcement of the same.

1. Introduction

The Board of Directors (“the **Board**”) of Accrelist Limited (亚联盛控股公司) (the “**Company**”) wishes to announce that the Company had, on 22 November 2016, entered into a Convertible Loan Agreement (the “**Convertible Loan Agreement**”) with Singapore Rixin Zhonghe Investment Pte. Ltd. (the “**Lender**”), pursuant to which the Lender has extended to the Company a total loan amount of S\$4,000,000.00 (the “**Loan**”), whereby up to S\$4,000,000.00 (the “**Convertible Loan**”) is convertible into such number of new ordinary shares in the capital of the Company (the “**Conversion Shares**”) on the terms and subject to the conditions of the Convertible Loan Agreement.

The Convertible Loan is convertible, in whole or in part, at the absolute discretion of the Company into Conversion Shares based on either 90% of the VWAP to the prevailing market price preceding the date of the Convertible Loan Agreement; or based on 100% of the net assets value per share at the Conversion Date whichever is higher (“**Conversion Price**”), and on the terms and subject to the conditions of the said Agreement.

Save as disclosed in this announcement, the Company confirms, to the best of their knowledge, that the directors or substantial shareholders of the Company, do not have any connection (including business relationships) with the Lender.

2. Application for Listing and Quotation

An application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in due course for the Conversion Shares to be admitted to Catalist and be listed for quotation on the SGX-ST. The Listing and Quotation Notice, if given, shall not be construed as an indication of the merits of the Company’s shares, the Convertible Loan, the Conversion Shares or the Company.

3. Interested Person Transaction (“IPT”)

The Convertible Loan Agreement does not constitute an IPT as the Lender does not fall under the definition of an Interested Person as defined in Chapter 9 of the Listing Manual.

As at the date of this announcement, the Company’s Executive Chairman and Managing Director, Mr Terence Tea, does not hold any shares in the Lender.

4. Principal Terms of the Convertible Loan Agreement

The principal terms of the Convertible Loan Agreement are as follows:-

- (a) **Drawdown:** The Convertible Loan shall be disbursed upon the service of a Drawdown Notice substantially in the form set out in Schedule 1 by the Company.
- (b) **Purpose:** The Convertible Loan shall use the entire proceeds of the Convertible Loan only for working capital requirements and purposes.
- (c) **Term of the Loan:** The term of the Convertible Loan is for a period of three (3) years.
- (d) **Interest:** The Company shall be liable to pay to the Lender interest on the Convertible Loan at the rate of eight per cent (8%) per annum (calculated on the basis of a year of 365 days and actual number of days lapsed) from the date of disbursement of the Convertible Loan payable to the Lender every six (06) calendar months, either by way of cash or by way of Converted Shares or by way of both cash and Converted Shares, the value of each such repayment shall be equivalent to four per cent (4%) of the Convertible Loan. In the event Interest (or any part thereof) is repaid by way of Converted Shares, the share price of each of the Conversion Shares shall be based on either 90% of the VWAP to the prevailing market price preceding the date of the Convertible Loan Agreement or based on 100% of the net assets value per share at the Conversion Date, whichever is higher.
- (e) **Repayment of Loan:** The Company shall on Repayment Notice by the Lender, repay on the Repayment Date i.e. the date falling thirty (30) days from the date of the Repayment Notice or any other date as determined by the Company, to the Lender, the full amount of the Convertible Loan and all interests which have accrued thereon which remains unpaid.
- (f) **Conversion Right:** Subject to the Listing and Quotation Notice being obtained by the Company, the Convertible Loan or any part thereof including all accrued interest may be converted by the Company from time to time into Conversion Shares at a Conversion Price based on either 90% of the VWAP to the prevailing market price preceding the date of the Convertible Loan Agreement; or based on 100% of the net assets value per share at the Conversion Date, whichever is higher. In the event the Company chooses to convert the Convertible Loan partially, the Company shall allot and issue such relevant number of Conversion Shares based on the same share price. For the avoidance of doubt, repayment of the Convertible Loan shall be made either by way of cash or by way of Converted Shares or by way of both cash and Converted Shares, such election shall be at the absolute discretion of the Company.
- (g) **Status of the Conversion Shares:** The Conversion Shares, when issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank, pari passu, in all respects with the existing ordinary shares of the Company.
- (h) **Governing Law:** The terms of the Convertible Loan Agreement shall be governed by and construed in accordance with the laws of Singapore.

5. Conditions Precedent of the Convertible Loan Agreement

The obligations of the Lender to make available the Convertible Loan to the Company are

subject to the fulfillment of the Conditions Precedent including, but not limited to, the following:

- (a) the Company obtaining the necessary approval from its shareholders and directors (if required) in general meeting to enter into the Convertible Loan Agreement; and
- (b) all necessary approvals to be obtained from the relevant authorities, including but not limited to the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the continuing sponsor of the Company.

Upon the satisfaction or fulfillment of the above conditions, this Convertible Loan Agreement shall take effect on 23 November 2016.

6. Disclosure on Introducer’s Fee

The Lender was introduced by an Introducer, Mr. Stephen Chew Ban Eng of Summit Planners Pte Ltd, the principal consultant of a financial planning and consultancy services company incorporated in the Republic of Singapore. Under the Convertible Loan Agreement, the introducer’s fee payable to the Introducer is S\$120,000.00, being 3% of the Loan. The Introducer has no connection (including business relationships) with the Company, its Directors and substantial shareholders, or the Lender. The introducer’s fee is in line with market practice.

7. Rationale for the Loan

The Company is of the view that the Convertible Loan Agreement is beneficial to the Company, its subsidiaries and associates (the “**Group**”) as this arrangement will enable the Company to pursue its expansion of business into Corporate Accretion Services, enabling the Group to spearhead its expansion with minimal restrictions as the Loan would be used towards working capital to support the businesses of the Company.

The working capital available to the Company to meet its present requirement is mainly cash and with the present bank facilities and Loan from the Lender, the working capital available to the Company is sufficient to meet its present requirements.

8. Financial Effects of the Convertible Loan

It is not possible to determine precisely the financial effects the Convertible Loan would have on the Company until the Convertible Loan has been fully converted or repaid. However, solely for the purposes of illustration, the Company has set out the financial effects of the Convertible Loan and the Conversion Shares on the Company’s share capital, earnings per share, net tangible assets per share and gearing, based on the latest audited consolidated financial results for the financial year ending 31 March 2016 (“**FY2016**”), The financial effects set out below are on the following bases and assumptions:

- (a) the full conversion of the Convertible Loan into 740,740,740 Conversion Shares at the Conversion Price;
- (b) the financial impact on the earnings per share is computed based on the assumption that the Convertible Loan was fully disbursed and was fully converted at the beginning of FY2016; and

(c) the financial impact on the net tangible assets per share is computed based on the assumption that the Convertible Loan was fully disbursed and was fully converted at the end of FY2016.

Share Capital

	FY2016	After conversion of the Convertible Loan and issue of the Conversion Shares
Issued and paid-up share capital (US\$'000)	84,686	87,643
Total Number of Issued Shares	5,242,633,329	5,983,374,069

Earnings per share

	FY2016	After conversion of the Convertible Loan and issue of the Conversion Shares
Net (loss)/profit for the period as at FY2016 (US\$'000)	(6,508)	(6,508)
Weighted average number of issued share	4,609,324,220	4,623,981,933
Earning per share (US\$ cents)	(0.14)	(0.14)

Net Tangible Assets (“NTA”) per share

	FY2016	After conversion of the Convertible Loan and issue of the Conversion Shares
NTA (US\$'000)	35,593	35,593
NTA per share (US\$ cents)	0.77	0.77

Gearing

	FY2016	After conversion of the Convertible Loan and issue of the Conversion Shares
Total Borrowings (US\$'000)	1,096	1,096
Shareholders' Funds (US\$'000)	35,617	35,617
Gearing Ratio	3.08	3.08

9. Mandate For the Issue of the Conversion Shares

The Conversion Shares will be allotted and issued pursuant to the general share issue mandate granted by the Shareholders of the Company at the annual general meeting of the Company held on 29 July 2016.

Assuming that the entire amount of the Loan of S\$4,000,000.00 is converted into Conversion Shares, 740,740,740 Conversion Shares will be issued by the Company. The Conversion Shares represent (i) approximately 14.13% of the existing issued and paid-up share capital of the Company as at the date of this announcement and (ii) approximately 12.38% of the enlarged issued and paid-up share capital of the Company after the issue of the Conversion Shares.

In the event the number of Conversion Shares exceeds the limits of the general share issue mandate of the Company, the Company shall convene an EGM to seek specific Shareholders' approval on the issuance of Conversion Shares and the corresponding Circular containing the notice of the EGM shall be despatched to Shareholders in due course.

10. Interests of Directors and Substantial Shareholders

To the best of the Directors' knowledge, none of the Directors and controlling shareholders has any interest, direct or indirect, in the Convertible Loan Agreement.

11. Documents Available For Inspection

A copy of the Convertible Loan Agreement 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, #03-95, Singapore 408564 for three (3) months from the date of this announcement.

12. Directors' Responsibility Statement

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.

BY ORDER OF THE BOARD

Terence Tea Yeok Kian
Executive Chairman and Managing Director
11 January 2017

This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (SGX-ST). The Company's 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:-

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