

ACCRELIST LTD. (亚联盛控股公司)

(Company Registration No. 198600445D)

(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF COMPANIES

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 Sale and Purchase of Shares Agreements entered into between the Company and the Vendors dated 23 January 2018.

1. Introduction

The Board of Directors (“the **Board**”) of Accrelist Ltd. (the “**Company**”) wishes to announce that the Company had, on 23 January 2018, entered into Sale and Purchase of Shares Agreements (the “**SPA**” or “**Agreements**”) with each of Charles Leck Tin Hong, Leck Seok Noi, Rachel, Lee Bee Seng, Wong Meng Hang (Huang Minghan), Char Li Shing, and Refresh Group Pte. Ltd. (collectively the “**Vendors**”, each a “**Vendor**”), pursuant to which the Company had purchased 100% of the issued and paid up share capital of each the Companies (the “**Sale Shares**”) for a consideration of S\$4,000,000.00 on the terms and subject to the conditions of the SPA (the “**Acquisition**”).

The Acquisition constitutes a discloseable transaction under Chapter 10 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”, and the Listing Manual of the SGX-ST, the “**Listing Manual**”).

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

2. Background Information of the Companies

The target companies are (1) Refresh Laser Clinic Lot1 Pte. Ltd. (“**RLC Lot1**”), (2) Refresh Laser Clinic Tampines Pte. Ltd. (“**RLC Tampines**”), (3) Refresh Laser Clinic Tpy Pte. Ltd. (“**RLC Toa Payoh**”) and (4) Refresh Laser Clinic Bedok Pte. Ltd. (“**RLC Bedok**”) (collectively, the “**Target Companies**”, each a “**Target Company**”).

The Target Companies are companies incorporated in Singapore with their registered addresses at 8 Burn Road, #10-11, Trivex, Singapore 369977. They are principally engaged in cosmetic dermatology and skin laser services in Singapore (“**Aesthetics Medical Services**”). They also offer other health services such as physiotherapy, chiropractic and speech therapy.

The Company shall be seeking Shareholders’ approval for the diversification of business (“**Proposed Diversification of Business**”) at an Extraordinary General Meeting (“**EGM**”) to be convened.

Based on the management accounts of RLC Lot1 for the period commencing 1 July 2016 and ending 30 June 2017, its net tangible assets was approximately S\$543,569.21 and it recorded a net profit before tax of S\$68,419.20.

Based on the management accounts of RLC Tampines for the period commencing 1 September 2016 and ending 31 August 2017, its net tangible assets was approximately S\$37,122.48 and it recorded a net loss of S\$36,430.68.

Based on the management accounts of RLC Toa Payoh for the period commencing 1 September 2016 and ending 31 August 2017, its net tangible assets was approximately S\$315,509.23 and it recorded a net loss of S\$7,249.82.

Based on the management accounts of RLC Bedok for the period commencing 1 October 2016 and ending 30 September 2017, its net tangible assets was approximately S\$353,696.95 and it recorded a net profit before tax of S\$3,054.29.

The Vendors are the legal and beneficial owners of the Target Companies in the following proportions:-

- (a) Each of RLC Lot1, RLC Tampines and RLC Toa Payoh:

Vendors	No. of Sale Shares held	Percentage (%)
Charles Leck Tin Hong	24,250	24.25
Leck Seok Noi, Rachel	24,250	24.25
Lee Bee Seng	24,250	24.25
Wong Meng Hang (Huang Minghan)	3,000	3.00
Refresh Group Pte. Ltd.	24,250	24.25

- (b) RLC Bedok:

Vendors	No. of Sale Shares held	Percentage (%)
Charles Leck Tin Hong	4,860	6.075
Leck Seok Noi, Rachel	48,060	60.075
Lee Bee Seng	4,860	6.075
Char Li Shing	8,000	10
Wong Meng Hang (Huang Minghan)	9,360	11.7
Refresh Group Pte. Ltd.	4,860	6.075

3. Principal Terms of the SPA

The principal terms of the SPA are as follows:-

- (a) **Consideration:** The consideration for the purchase of the Sale Shares, arrived at on a

willing seller willing buyer basis and based on the net tangible assets of the Companies, shall be an aggregate consideration of Singapore Dollars Four Million (S\$4,000,000.00) ("**Purchase Price**"). The Purchase Price shall be paid by the Company by way of a) cash amounting to Singapore Dollars Two Million (S\$2,000,000.00) ("**Consideration Cash**"); and b) an allotment of 250,000,000 ordinary shares in the share capital of the Company at an issue price of \$0.008, being a premium of 33.3% to the closing share price quoted by the SGX-ST for the trading day immediately preceding the date of the Agreements amounting to Singapore Dollars Two Million (S\$2,000,000.00) ("**Consideration Shares**"). The Consideration Cash shall be paid, and Considerations Shares allotted and issued to, the Vendors by the Company on the Completion Date in the proportions set out in the tables in Schedule 1 of the Agreements.

- (b) **Moratorium:** The Vendors jointly and severally warrant and undertake to the Company and its successors in title and assigns (with the intent that the provisions of this Clause shall continue to have full force and effect notwithstanding completion) that they shall only be entitled to realize, transfer or otherwise dispose of or mortgage, pledge, charge, or otherwise create a lien or an encumbrance in respect of any of their direct or indirect interest in any of the Consideration Shares from the first (1st) anniversary of the Completion Date.
- (c) **Conditions:** Completion is conditional on the fulfilment of the Conditions on or before the Long Stop Date. The Vendors may, at their sole and absolute discretion (and subject to such conditions as it may impose), waive any Purchaser Warranties and the Company may, at its sole and absolute discretion (and subject to such conditions as it may impose), waive any Vendor Warranties. In the event that any of the Conditions has not been fulfilled prior to the Long Stop Date, the SPAs (other than the Surviving Provisions) shall automatically terminate and neither Party shall have any claim hereunder against the other Party (save in respect of claims arising out of any antecedent breach of the SPA). The Parties agree that all requests and enquiries from any Governmental Authority shall be dealt with by the Parties in consultation with each other and the Parties shall promptly cooperate with and provide all necessary information and assistance as may be reasonably required by any Governmental Authority.
- (d) **Pre-Completion Obligations:** The Vendors undertake to the Company that, subject to applicable laws and regulations, the Vendors shall procure the performance and observance of those matters listed in schedule 3. If prior to Completion, any event shall occur which results or which could reasonably be expected to result in a breach by the Vendors of any of their obligations under clause 5.1, the Vendors, upon becoming aware of the same, shall promptly notify the Company in writing thereof.
- (e) **Completion:** Completion shall take place seven (7) calendar days after the satisfaction or waiver of the Conditions or such other date as may be mutually agreed to by the Parties. Completion shall take place at the office of the Company's Solicitors or such other place as may be determined by the Parties when all (but not some only) of the events detailed in clauses 6.3 and 6.4 shall occur. At Completion, against fulfilment of the Company's obligations in part 2 of schedule 4, the Vendors shall do or deliver (or cause to be delivered) to the Company the matters or items listed in part 1 of schedule 4. At Completion, against fulfilment of the Vendors' obligations in part 1 of schedule 4, the Company shall do or deliver (or cause to be delivered) to the Vendors the matters or items listed in part 2 of schedule 4.
- (f) **Indemnification:** The Vendors hereby jointly and severally undertake to keep the

Company fully and effectively indemnified against any and all losses, claims, damages, costs and liabilities of any nature whatsoever that the Company reasonably incurs or reasonably suffers in connection with or arising from any breach of any Vendor Warranty and/or the terms of this Agreement. Any liability to the Company hereunder may in whole or in part be released, compounded or compromised or time or indulgence given by the Company in its absolute discretion without in any way prejudicing or affecting its rights against the Vendors. Any release or waiver or compromises shall be in writing and shall not be deemed to be a release, waiver or compromise of similar conditions in future. The Company hereby undertakes to keep the Vendors fully and effectively indemnified against any and all losses, claims, damages, costs and liabilities of any nature whatsoever that the Vendors may reasonably incur or may reasonably suffer in connection with or arising from any breach of any of the Purchaser Warranties. Any liability to the Vendors hereunder may in whole or in part be released, compounded or compromised or time or indulgence given by the Vendors in its absolute discretion without in any way prejudicing or affecting its rights against the Company. Any release or waiver or compromises shall be in writing and shall not be deemed to be a release, waiver or compromise of similar conditions in future.

- (g) **Governing Law:** The terms of the SPA shall be governed by and construed in accordance with the laws of Singapore.

4. Conditions Precedent of the SPA

The obligations of the Company to purchase the Sale Shares from the Vendors are subject to the fulfillment of conditions precedent including, but not limited to, the following:

- (a) The FY2017 Audited Account of the Target Companies prepared in accordance with the Singapore Financial Reporting Standards (as determined by the Company in its sole discretion), and being ready and available on or before 31 December 2017.
- (b) All the Warranties being true, accurate and not misleading as at Completion.
- (c) The Vendors having performed or complied with all its obligations and undertakings in clause 5 and schedule 3 of the SPA except for such non-performance or non-compliance that would not result in a Material Adverse Change.
- (d) The Company obtaining all relevant corporate and governmental and regulatory approvals for the purchase of the Sale Shares in accordance with the terms and conditions of the SPA and the transactions contemplated under the SPA, including without limitation, the Shareholders' Approval.
- (e) The results of the financial, operational and legal due diligence on the Target Companies being satisfactory to the absolute discretion of the Company.
- (f) The listing and quotation notice for the issuance and allotment of the Consideration Shares (the "**Listing and Quotation Notice**") having been obtained and not being revoked or amended.
- (g) Any conditions attached to the Listing and Quotation Notice which is required to be fulfilled on or before the Completion Date having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST.

- (h) The execution of a service agreement between the Target Companies and the individuals named in Schedule 2 of the SPA, with the terms and conditions acceptable to the Company. For the avoidance of doubt, none of the individuals named in Schedule 2 of the SPA will be appointed as a Board Member of Accrelist or Directors in the subsidiary company post acquisition.
- (i) The Vendors having set up a fully operational clinic at SingPost Centre located at 10 Eunos Road 8, Singapore 408600 on or before 1 April 2018.

5. Rationale for the Acquisition

In view of the constant demand for corporate financing and positive industry prospects for long-term growth to broaden the Group's revenue stream, it is advantageous that the Company continues to expand the existing business of Corporate Accretion Services.

The Company is of the opinion that the Aesthetics Medical Services sector has good prospects for the long-term growth of the Company. It is part of the Group's corporate strategy to provide Shareholders with diversified returns, reduce the Group's reliance on its existing business and offer new business opportunities, so as to enhance Shareholders' value.

The social acceptance of Aesthetic Medical Services has increased and is expected to continue to increase as a result of increased consumerism. This is further supported by the increase in the consumers' attention to their personal appearances, popular culture influences including South Korean popular culture and celebrity culture, increasing affordability of aesthetic medical treatments and lower risk and improved convenience of aesthetic medical treatments, particularly non-surgical aesthetic medical treatments.

The Company intends to expand the Aesthetics Medical Services sector via its subsidiary's crowdfunding platform through the investment of potential investors. Besides this Proposed Acquisition, the Company intends to set up 4 Aesthetics Medical Services clinics in Singapore before potentially expanding overseas.

6. Application for Listing and Quotation of Consideration Shares

An application will be made to the SGX-ST in due course for the Consideration Shares to be admitted to Catalist and be listed for quotation on the SGX-ST. The Company will make the necessary announcement(s) once the listing and quotation notice for the Consideration Shares has been obtained from 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 Acquisition and the Consideration Shares or the Company.

7. Financial Effects of the Acquisition

For the purposes of illustration only, the following is an analysis and illustration of the proforma financial effects of the Acquisition on the net tangible assets per share and earnings per share of the Company based on the latest audited consolidated financial results for the financial year ending 31 March 2017 ("FY2017"). 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 Acquisition had been effected at the end of FY2017; and

- (b) the financial impact on the earnings per share is computed based on the assumption that the Acquisition had been effected at the beginning of FY2017.

Share Capital

	The Group	
	As at 31 March 2017	After the Issuance of shares to the Vendors
Share Capital (US\$)	54,609,000	56,103,433
Number of issued and paid-up Shares	5,243,957,403	5,493,957,403

Net Tangible Assets (“NTA”) per share

	Before the Acquisition	After the Acquisition
Consolidated NTA attributable to shareholders of the Company (“ Shareholders ”) (US\$’000)	29,081	30,575
Weighted Average Number of Shares (‘000)	5,242,960	5,242,960
NTA per Share (US\$ cents)	0.55	0.58

Earnings per share

	Before the Acquisition	After the Acquisition
Loss for the period attributable to equity holders of the Company (US\$’000)	(5,987)	(5,987)
Weighted average number of issued share (‘000)	5,242,960	5,242,960
Loss per share (in US cents)	(0.11)	(0.11)

Gearing

	Before the Acquisition	After the Acquisition
Total Borrowings (US\$’000)	1,009	1,009

Shareholders' Funds	29,094	30,588
Gearing Ratio	3.47%	3.30%

8. Applicability of Chapter 8 of the Listing Manual

Rule 805(1) of the Listing Manual stipulates that an issuer must obtain prior approval of its shareholders in general meeting for an issue shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer, except where the shares are issued pursuant to a general mandate obtained from the shareholders in a general meeting.

Pursuant to the SPA, 250,000,000 Consideration Shares will be issued by the Company to the Vendors. The Consideration Shares represent (i) approximately 4.71% of the existing issued and paid-up share capital of the Company as at the date of this announcement and (ii) approximately 4.50% of the enlarged issued and paid-up share capital of the Company after the issue of the Consideration Shares.

The Company will be seeking specific Shareholders' approval for the issuance and allotment of the Consideration Shares. A circular containing the notice of the general meeting to be convened shall be despatched to Shareholders in due course.

9. Disclosure under Chapter 10 of the Listing Manual

(A) Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by the Company into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, inter alia, the following bases:

Rule 1006(a)	net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable to acquisition of assets
Rule 1006(b)	net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the group's net profits	(0.35%) ⁽²⁾
Rule 1006(c)	aggregate value of the consideration of S\$4,000,000, compared with the Company's market capitalization ⁽³⁾ of approximately S\$31,819,300 based on the total number of issued shares excluding treasury shares	12.57%
Rule 1006(d)	number of equity securities issued by the Company of 250,000,000 as consideration for the Acquisition, compared with the number of equity securities previously in issue of 5,303,216,662	4.71%
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 to acquisition of assets

Notes:-

(1) based on the Group's latest announced consolidated results.

- (2) the relative figure for Rule 1006(b) in this instance is negative as the Group posted a net loss of approximately US\$5,987,000 based on the audited consolidated financial statements of the Group for the year ended 31 March 2017 whilst the net profits attributable to the Acquisition is approximately S\$27,792.99 based on the audited management accounts of the Target Companies as at their respective management account dates.
- (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\$ 0.006 of the Company’s shares as at 22 January 2018, being the market day immediately preceding the date of the SPA, the Group’s market capitalization calculated based on the total number of issued shares excluding treasury shares is approximately S\$31,819,300.

The relative figure computed on the base set out in Rule 1006(b) of the Catalist Rules is a negative figure. Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed on the relevant bases set out in Rule 1006 is a negative figure, the Company is required, through its Sponsor, to consult with the SGX-ST on the applicability of Chapter 10 of the Catalist Rules.

Notwithstanding the foregoing and having considered that the Company will be seeking the approval of Shareholders for the Proposed Diversification of Business (please refer to Section 2 of this Announcement), the Company will nonetheless seek Shareholders’ approval for the Proposed Acquisition at the EGM to be convened.

10. Interests of Directors and Substantial Shareholders

None of the Directors and Substantial and/or Controlling Shareholder/(s) of the Company has any interest, direct or indirect, in the Acquisition.

11. EGM and Circular to Shareholders

The Company will seek the approval of the Shareholders for the (i) Proposed Diversification of Business; (ii) Proposed Acquisition; and (iii) the issuance of the Consideration Shares, in an EGM to be convened and a circular containing, *inter alia*, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of the EGM in connection therewith, will be dispatched to the Shareholders in due course.

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.

13. Documents Available For Inspection

A copy of each of the Sale and Purchase of Shares Agreements are 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, Singapore 408564 for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Terence Tea Yeok Kian
Executive Chairman and Managing Director
23 January 2018

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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