**CAMSING HEALTHCARE LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197903888Z)
(the "**Company**")

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**(I) ENTRY INTO PLACEMENT AGREEMENTS (AS DEFINED BELOW); (II) ENTRY INTO CONVERTIBLE BOND SUBSCRIPTION AGREEMENT (AS DEFINED BELOW); AND (III) TERMINATION OF QRH INVESTMENT DOCUMENTS (AS DEFINED BELOW)**

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***The Company would like to remind all shareholders that trading in the Company's shares is currently suspended and the proposed Placement Agreements (as defined below) and Convertible Bond Subscription Agreement (as defined below) are subject to, amongst others, the Company submitting a resumption of trading proposal to the Singapore Exchange Securities Trading Limited (the "SGX-ST"), and the clearance of the resumption of trading proposal by the SGX-ST. As such, shareholders and investors are advised to exercise caution when dealing in the Company's shares and to refrain from taking any action in respect of their shares and/or investment in the Company which may be prejudicial to their interest. Persons, who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.***

*Capitalised terms in this announcement (this "**Announcement**") shall have the same meanings as ascribed to them in the Placement Agreements and Convertible Bond Subscription Agreement unless otherwise defined.*

## 1. INTRODUCTION

1.1. The Board of Directors (the "**Board**" or "**Directors**") of Camsing Healthcare Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has today entered into:

(a) five (5) placement agreements (collectively, the "**Placement Agreements**") respectively with Duanmu Xiaoyi ("**Ms Duanmu**" or the "**Lead Investor**"), Chen Hao ("**Mr Chen**"), Liu Xiaohua ("**Ms Liu Xiaohua**"), Ong Yaw Teh ("**Mr Ong**") and Steven Lim ("**Mr Lim**"), (each a "**Placee**" and collectively, the "**Placees**"); and

(b) a convertible bond subscription agreement (the "**Convertible Bond Subscription Agreement**" and together with the Placement Agreements, the "**New Investment Agreements**") with Ms Duanmu, Mr Chen and Liu Jing ("**Ms Liu Jing**") (each a "**Bondholder**" and collectively, the "**Bondholders**" and together with the Placees, each an "**Investor**" and collectively, the "**Investors**").

1.2. Pursuant to the terms of the Placement Agreements, the Company proposes to offer up to 60,000,007 new ordinary shares in the capital of the Company (the "**Subscription Shares**") at the issue price of S$0.05 (the "**Issue Price**") to the Placees for an aggregate consideration of approximately S$3,000,000 (the "**Subscription**").

1.3. Pursuant to the Convertible Bond Subscription Agreement, the Company proposes to issue zero-coupon mandatory convertible bonds denominated in Singapore dollars in the aggregate principal amount of up to S$2,500,000 (each, a "**Bond**"), which may be converted into new ordinary shares in the capital of the Company (the "**Conversion Shares**") at a conversion price of $0.05 per Conversion Share (the "**Conversion Price**") in accordance with the terms and conditions of the Convertible Bond Subscription Agreement (the "**Issuance**" and together with the Subscription, the "**New Investment**").

1.4. The New Investment is intended to substantially replace the investment by Qiren Holdings Pte. Ltd. ("**QRH**") under the investment agreement dated 25 December 2021 (as amended and restated by a deed of amendment and restatement dated 3 March 2022), the loan agreement dated 25 December 2021 (the "**First Loan Agreement**") and a second loan agreement dated 3 March 2022 (the "**Second Loan Agreement**", and collectively the "**QRH Investment Documents**") (the "**QRH Investment**"). Accordingly, pursuant to the terms of the QRH Deed (as defined below), the QRH Investment Documents will be terminated upon, *inter alia*, the receipt of the net proceeds from the New Investment by the Company and the payment of the Outstanding Principal Amount (as defined below) to QRH.

## 2. BACKGROUND ON THE INVESTORS

*The information below was provided to the Company by each Investor and/or their representatives. The Directors did not conduct an independent review or verification of the accuracy of some of the statements and information set out below.*

### 2.1. Duanmu Xiaoyi

Ms Duanmu has more than 10 years of experience working in the investment industry and has a keen eye for investment opportunities, having been the Manager of the Investment Department in Beijing Zhenghao Daheng Investment Co., Ltd since 2016. Owing to her investment expertise and business acumen, Ms Duanmu also holds positions in other entities, including as Executive Director and Manager of Beijing Desheng Xinzhi Investment Co., Ltd (since 2019) and Beijing Yinglan Cultural Development Co., Ltd. (since 2022), as well as serving in the Investment Department of Hainan Bohao Guanghui Private Fund Management Partnership (since 2022).

### 2.2. Chen Hao

Mr Chen started out in family investment and business management, which was mainly engaged in the investment in coal and mining-related fields. After graduating from Southwest University in 2019, he started to carry out his own investment activities, which includes investing in Chinese companies engaged in food-related industries, such as livestock raising and primary food processing and sales.

### 2.3. Liu Jing

Ms Liu Jing has a bachelor's degree in international economics and trade and is a sophisticated investor and has invested in multiple companies, in Singapore, China and other jurisdictions, with a focus on food and health-related industries.

### 2.4. Liu Xiaohua

Ms Liu Xiaohua comes with a multi-disciplinary background, having begun her career in the legal industry as a legal specialist and lawyer, before transiting into project management and investment. Ms Liu Xiaohua is currently a Director of Compliance and Risk Management in Beijing Zhongjinggelong Investment Consultation Co., Ltd. (北京中经格隆投资顾问有限公司). In the People's Republic of China, she holds a Legal Professional Certificate (法律职业证书), as well as a Securities Practicing Qualification Certificate (证券从业资格证) and a Fund Practicing Qualification Certificate (基金从业资格证).

2.5. **Ong Yaw Teh**

Mr Ong is a seasoned veteran in the shipping and supply chain industry, having amassed over 20 years of experience. Presently, Mr Ong is a director in Jinxin Trading Pte Ltd, leading all business development efforts within the organisation.

2.6. **Steven Lim**

Mr Lim is a seasoned expert in the international freight and logistics industry, having accumulated a quarter of a century's worth of experience in the supply chain industry. Mr Lim has also been involved in various multi-national companies where his role was to play a key part in logistics planning. Mr Lim's current focus is to build a complete supply chain that is responsive to long term corporate objectives to stimulate growth and profitability.

2.7. The Lead Investor was introduced to the Company by the Company's majority shareholder, Creative Elite Holdings Limited ("**CEHL**"). The Company understands that the Lead Investor approached CEHL and expressed an interest to invest in the Company as a strategic investor. The Lead Investor was of the view that her skills and experience in the ecommerce space in People's Republic of China would be of significant value to the development of ecommerce abilities of the Company's principal subsidiary, Nature's Farm Pte Ltd ("**Nature's Farm**").

2.8. The Company further understands that, following positive discussions between CEHL and the Lead Investor, the Lead Investor proceeded to engage UHY Prime HK CPA Limited ("**UHY HK**") to procure fellow investors who are interested in the acquisition of shares or securities convertible into shares in the Company. Mr Chen, Ms Liu Jing and Ms Liu Xiaohua (collectively, the "**Shortlisted Investors**") were amongst the potential investors shortlisted by UHY HK and agreed to pursue an investment into the Company following discussions with the Lead Investor. The Company understands from the Lead Investor that UHY HK has confirmed that they approached no more than 50 persons who are predominantly based in People's Republic of China (excluding Hong Kong), and no advertisements were made in connection with the proposed investment. The Company was then introduced to the Lead Investor by CEHL in April 2023, and the Lead Investor introduced the Shortlisted Investors shortly after, to further negotiate the specifics of their investment into the Company.

2.9. The remaining investors, being Mr Ong and Mr Lim, are business associates of Mr Yeo Choon Tat, the Independent Non-Executive Director of the Company. The Company, whilst considering the options to strengthen its balance sheet during the discussions in respect of the New Investment, had offered to Mr Ong and Mr Lim to participate in the placements of the New Investment, which they accepted.

2.10. No commission or fee was paid or is payable to CEHL, Mr Yeo Choon Tat, the Lead Investor or UHY HK by the Company with respect to the New Investment Agreements.

2.11. Each Investor has represented and warranted to the Company, *inter alia*, that:

(a) each of them is independent of, and not acting in concert (as defined in The Singapore Code on Take-overs and Mergers) with any other party to obtain or consolidate effective control in the Company through the subscription of the Subscription Shares, Bonds, and/or Conversion Shares (as the case may be); and

(b) each of them is subscribing for the Subscription Shares and/or Bonds solely for the purposes of investment and solely for their own benefit and as principal (and not as an

underwriter or a placement agent or a nominee or a trustee for any person) and has not entered into any arrangement or agreement to sell or otherwise dispose of any of the Subscription Shares, the Bonds and/or Conversion Shares (as the case may be) to any person.

## 3. RATIONALE FOR THE ENTRY INTO THE NEW INVESTMENT AGREEMENTS AND THE INTENDED USE OF PROCEEDS

3.1. Reference is made to paragraphs 3.1 to 3.5 of the Company's announcement dated 27 December 2021. The rationale of the New Investment Agreements remains significantly the same, given that the New Investment is intended to substantially replace the QRH Investment. In particular, the financing provided by the Investors will allow the Group to continue financing the much-needed initiatives for its business, which include:

(a) a comprehensive review and expansion of the product range offered by Nature's Farm with an aim to provide for to post-pandemic wellness and health needs;

(b) an update of the brand image of Nature's Farm at all of it physical and online outlets and ramping up its publicity efforts through collaborations and joint-marketing projects with other providers of services and products;

(c) an increase in adoption and marketing through social media platforms;

(d) building up business-to-business ("**B2B**") collaborations with reputable partners in complementary industries;

(e) accelerating efforts to out-source of non-essential functions through B2B collaborations or otherwise so as to achieve greater revenue accretion with an asset-light model; and

(f) an overhaul of Nature's Farm's current digital strategy with the aim of leapfrogging beyond the traditional model of online sales and to capitalize on emerging digital opportunities involving apps.

3.2. In addition, the financing provided by the Investors will also enable the Company to strengthen its balance sheet, enlarge its capital base and further enhance the financial flexibility of the Group.

3.3. In view of the foregoing, the Board is of the view that the New Investment Agreements are beneficial to the Company. The Group will also benefit from the experience and expertise of the Lead Investor, whose skills and experience in the ecommerce space in People's Republic of China would be of significant value to the development of ecommerce abilities of Nature's Farm.

3.4. The estimated amount to be raised, assuming (a) the allotment and issuance to the relevant Investors of the Shares pursuant to the Placement Agreements and (b) the issuance of the Bonds to the relevant Investors pursuant to the Convertible Bond Subscription Agreement, would be approximately S$5,500,000 (the "**Investment Proceeds**"). The Company intends to use the Investment Proceeds for the following purposes:

| Use of Investment Proceeds | Approximate Amount | Estimated percentage of Investment Proceeds |
|---|---|---|
| Repayment of Outstanding Principal Amount owed by the Company to QRH(1) | S$3,230,000 | 58.73% |
| Capitalisation of other working capital loans(2) | S$400,000 | 7.27% |
| General working capital needs(3) | S$1,870,000 | 34.00% |

***Notes:***

*(1) Further details are set out in Paragraph 6 of this Announcement.*

*(2) As at the date of this Announcement, the Company owes an aggregate principal amount of S$400,000 to Mr Ong and Mr Lim as working capital loans ("**WC Loans**"). The proposed placement to Mr Ong and Mr Lim is in lieu of cash repayment by the Company to Mr Ong and Mr Lim for the outstanding amounts under the working capital loans, and accordingly no cash proceeds will be received from Mr Ong and Mr Lim for the proposed placements to them. Further details are set out in Paragraph 4.3 of this Announcement.*

*(3) Including but not limited to the general overheads and operational expenses the Company and the Group, including the payment of salaries, purchase of goods and other operating expenses.*

3.5. With respect to the Issue Price and the Conversion Price, the Board refers to the Company's announcement dated 27 December 2021, where the Company had disclosed that it had engaged AVA Associates Limited (the "**Valuer**") to perform a valuation on the 100% equity interest (the "**Equity Interest**") in the business of the Company and its subsidiaries (the "**Business**") as at 31 January 2021 (the "**Valuation Date**"), and that the Valuer was of the opinion that as at the Valuation Date, the market value of the Equity Interest in the Business is reasonably stated in the amount of S$900,000. The Board further notes that the Issue Price and the Conversion Price of S$0.05 per Share under the New Investment Agreements are higher than the issue price and exercise price of S$0.042 per Share under the QRH Investment, though following the entry into the QRH Investment Documents there were no material change in the financial results of the Group.

3.6. The Company will make periodic announcements on the utilisation of the Investment Proceeds as and when the Investment Proceeds are materially disbursed or utilised, and whether such use is in accordance with the percentage allocated in this announcement. The Company will also provide a status report on the use of the Investment Proceeds in the Company's annual report. Where there is any material deviation from the stated use of the Investment Proceeds, the Company will announce the reasons for such deviation. Where the Investment Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Investment Proceeds for working capital in its announcements and annual reports.

3.7. The Directors are of the opinion, after taking into consideration the present bank facilities available to the Group, the financial support from CEHL and the net proceeds from the New Investment, that the working capital available to the Group is sufficient to meet its present requirements. The Directors note that this is consistent with Note 2 of the financial statements in its Annual Report for the financial year ended 31 January 2023 (the "**AR FY23**"). The Directors further note that, as disclosed in Note 10 of the financial statements in its AR FY23, a subsidiary of the Group has outstanding bank loan of S$384,000 and has breached certain bank covenants and defaulted on the repayment of the bank loan since 2019, and that the

Group has been making monthly repayments of S$40,000 to the bank and has repaid an aggregate of S$480,000 during the financial year ended 31 January 2023. As at the date of this Announcement, the Group has not received any notice from the bank for immediate repayment and shall continue with the monthly repayments until January 2024.

3.8. The New Investment is intended to be made pursuant to the private placement exemption under Section 272B of the Securities and Futures Act 2001 of Singapore (the "**Securities and Futures Act**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the New Investment.

## 4. SALIENT TERMS OF THE PLACEMENT AGREEMENTS

4.1. Pursuant to the Placement Agreements and subject to the terms and conditions of the Placement Agreements:

(a) The Lead Investor agrees to subscribe for 26,000,007 Shares at an issue price of S$0.05 per Share;

(b) Mr Chen agrees to subscribe for 22,000,000 Shares at an issue price of S$0.05 per Share;

(c) Ms Liu Xiaohua agrees to subscribe for 4,000,000 Shares at an issue price of S$0.05 per Share;

(d) Mr Ong agrees to subscribe for 4,000,000 Shares at an issue price of S$0.05 per Share; and

(e) Mr Lim agrees to subscribe for 4,000,000 Shares at an issue price of S$0.05 per Share.

4.2. The key terms of the Placement Agreements entered into with Ms Duanmu, Mr Chen and Ms Liu Xiaohua are as follows:

(a) At Completion:

Subject to the fulfilment of the conditions precedent:

(i) each relevant Investor shall, against compliance by the Company of its obligations at Completion (defined below), transfer its subscription consideration to the bank account nominated by the Company and notified to such Investor in writing. For the avoidance of doubt, the subscription consideration shall only be deemed to have been paid by the relevant Investor upon written confirmation by the Company that it has received such subscription consideration. The transfer of the subscription consideration to the Company shall be made free of any foreign exchange commissions, remittance charges or other deductions. In the event that any foreign exchange commissions, remittance charges or other deductions are required to be made, each relevant Investor shall bear such deductions and ensure that the amounts received by the Company shall in aggregate be equivalent to the subscription consideration set out in the relevant Placement Agreement.

(ii) the Company shall, in exchange for and subject to the fulfilment by each relevant Investor of its obligations at Completion:

(A) (if applicable) in the event that such Investor notifies the Company of its Direct Account (defined below) (or its securities account maintained with the Depository Agent (defined below)) at least six (6) Business Days before Completion, the Company shall allot and issue the relevant Subscription Shares to The Central Depository (Pte) Limited ("**CDP**") for the account of such Investor (or to the securities account of the Depository Agent notified by such Investor to the Company), instruct CDP to credit the relevant Subscription Shares into the Direct Account of such Investor (or the securities account of the Depository Agent notified by such Investor to the Company), and despatch to CDP, through the Company's share registrar, M&C Services Private Limited (the "**Share Registrar**"), the share certificate(s) in respect of the relevant Subscription Shares and all other documents required by CDP and/or the Share Registrar (as the case maybe) for such purpose;

(B) (if applicable) in the event that such Investor does not notify the Company of its Direct Account of the Investor (or its securities account maintained with the Depository Agent) at least six (6) Business Days before Completion, the Company shall allot and issue the relevant Subscription Shares to such Investor and despatch to such Investor, through the Share Registrar, the share certificate(s) in respect of the relevant Subscription Shares by ordinary post to the address provided by such Investor at pursuant to the relevant Placement Agreement and at the risk of such Investor;

(C) provide to such Investor a copy of the documentation evidencing the in-principle approval of the SGX-ST being obtained for the Listing and Quotation (defined below) on the Mainboard (defined below) of the SGX-ST; and

(D) provide to such Investor a certified true copy of the Subscription Shares Resolution.

(b) Conditions Precedent to Completion:

The issue of subscription shares is conditional upon, *inter alia*:

(i) each relevant Investor having delivered such documentary evidence (in such form and manner that the Company in its absolute discretion may require) to the Company to satisfy the Company (in the absolute discretion of the Company) that such Investor has and will on Completion have sufficient financial resources to fully satisfy the subscription consideration that it is obliged to pay pursuant to the relevant Placement Agreement;

(ii) the necessary approvals from all relevant Governmental Authorities having authority over the Company having been obtained, and not having been withdrawn or revoked (if applicable), including without limitation the following:

(A) to the extent required by the SGX-ST, the approval from the SGX-ST of any circular that is required to be released by the Company on the SGXNET in connection with the completion of the New Investment;

(B) the relevant approval in-principle from the SGX-ST being obtained for the Listing and Quotation of the relevant Subscription Shares and such relevant approval not having been revoked or amended as at the Completion Date, and if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Company, and to the extent that any conditions for the Listing and Quotation are required to be fulfilled on or before the Completion Date, they are so fulfilled; and

(iii) the approval of the Independent Shareholders (defined below) or the shareholders of the Company (the "**Shareholders**") (as the case may be) of the following having been obtained at a general meeting of the Company for:

(A) the Transaction Resolutions; and

(B) any other corporate action(s) as may be required by law or the Mainboard Rules (defined below) or in connection with the transactions contemplated by the relevant Placement Agreement as may be necessary;

(iv) the majority shareholder of the Company, CEHL, having executed a deed of irrevocable undertaking in favour of Ms Duanmu (as the lead investor) to vote in favour of the Transaction Resolutions at the general meeting of the Company;

(v) none of the New Investment Agreements having been terminated, or any party to any one of the New Investment Agreements having threatened to terminate the New Investment Agreements, or threatened to or refused to perform any of its obligations under the New Investment Agreements;

(vi) the resumption of trading of the Company's shares on the Mainboard of the SGX-ST, and the trading of the Company's Shares on the Mainboard of SGX-ST not being halted or suspended on or before the Completion Date;

(vii) the Company obtaining such approval(s) from its board of Directors in connection with the New Investment Agreements and the transactions contemplated therein as may be necessary, and such approval(s) not having been withdrawn or amended, on or before the Completion Date;

(viii) no injunction, notice or other order, legal or regulatory restraint, prohibition or condition preventing or restricting the consummation and implementation of the New Investment (or any of the proposed acts or transaction relation to the New Investment), or any part thereof, having been issued by any Governmental Authority (defined below) or by any court of competent jurisdiction, and remaining in effect as at the Completion Date;

(ix) the representations and warranties of the Company in the relevant Placement Agreement being true, accurate, and correct as of the date of such relevant Placement Agreement and as if repeated on and as of the Completion Date, with reference to the then existing circumstances and the Company having performed in all of its obligations therein to be performed on or before the

Completion Date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date);

(x) the representations and warranties of each relevant Investor in the relevant Placement Agreement being true, accurate, and correct as of the date of such relevant Placement Agreement and as if repeated on and as of the Completion Date, with reference to the then existing circumstances and the Investor having performed in all of its obligations therein to be performed on or before the Completion Date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and

(xi) there having occurred no Material Adverse Event, or any development reasonably likely to involve a prospective Material Adverse Event, in the financial condition, prospects, earnings, business, undertakings, assets or properties of the Group, whether or not arising from transactions in the ordinary course of business subsequent to the date of the relevant placement agreement.

4.3. The key terms of the Placement Agreements entered into with Mr Ong and Mr Lim are as follows:

(a) At Completion:

Subject to the fulfilment of the conditions precedent:

(i) each relevant Investor shall pay its subscription consideration by issuing a written confirmation to the Company that:

(A) the principal amount of each WC Loan amounting to S$200,000 shall be capitalised for the purpose of payment of the subscription consideration;

(B) upon the allotment and issuance of the relevant Subscription Shares to or to the account of the relevant Investor (as the case may be):

(1) all accrued interest on the WC Loans shall be waived in full absolutely and immediately; and

(2) the relevant Investor shall have no further claims arising from or in connection with the respective working capital loan agreements.

(ii) the Company shall, in exchange for and subject to the fulfilment by each relevant Investor of its obligations at completion of the Subscription:

(A) (if applicable) in the event that such Investor notifies the Company of its Direct Account (or its securities account maintained with the Depository Agent) at least six (6) Business Days before Completion, the Company shall allot and issue the relevant Subscription Shares to The Central Depository (Pte) Limited ("**CDP**") for the account of such Investor (or to the securities account of the Depository Agent notified by such Investor to the Company), instruct CDP to credit the relevant

Subscription Shares into the Direct Account of such Investor (or the securities account of the Depository Agent notified by such Investor to the Company), and despatch to CDP, through the Company's share registrar, M&C Services Private Limited (the "**Share Registrar**"), the share certificate(s) in respect of the relevant Subscription Shares and all other documents required by CDP and/or the Share Registrar (as the case maybe) for such purpose;

(B) (if applicable) in the event that such Investor does not notify the Company of its Direct Account of the Investor (or its securities account maintained with the Depository Agent) at least six (6) Business Days before Completion, the Company shall allot and issue the relevant Subscription Shares to such Investor and despatch to such Investor, through the Share Registrar, the share certificate(s) in respect of the relevant Subscription Shares by ordinary post to the address provided by such Investor at pursuant to the relevant Placement Agreement and at the risk of such Investor;

(C) provide to such Investor a copy of the documentation evidencing the in-principle approval of the SGX-ST being obtained for the Listing and Quotation on the Mainboard of the SGX-ST; and

(D) provide to such Investor a certified true copy of the Subscription Shares Resolution.

(b) Conditions Precedent to Completion:

The issue of subscription shares is conditional upon, *inter alia*:

(i) the necessary approvals from all relevant Governmental Authorities (defined below) having authority over the Company having been obtained, and not having been withdrawn or revoked (if applicable), including without limitation the following:

(A) to the extent required by the SGX-ST, the approval from the SGX-ST of any circular that is required to be released by the Company on the SGXNET in connection with the completion of the New Investment;

(B) the relevant approval in-principle from the SGX-ST being obtained for the Listing and Quotation of the relevant Subscription Shares and such relevant approval not having been revoked or amended as at the Completion Date, and if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Company, and to the extent that any conditions for the Listing and Quotation are required to be fulfilled on or before the Completion Date, they are so fulfilled; and

(ii) the approval of the Independent Shareholders (defined below) or the shareholders of the Company (the "**Shareholders**") (as the case may be) of the following having been obtained at a general meeting of the Company for:

(A) the Transaction Resolutions (defined below); and

(B) any other corporate action(s) as may be required by law or the Mainboard Rules or in connection with the transactions contemplated by the relevant Placement Agreement as may be necessary;

(iii) the majority shareholder of the Company, CEHL, having executed a deed of irrevocable undertaking in favour of Ms Duanmu (as the lead investor) to vote in favour of the Transaction Resolutions at the general meeting of the Company;

(iv) none of the New Investment Agreements having been terminated, or any party to any one of the New Investment Agreements having threatened to terminate the New Investment Agreements, or threatened to or refused to perform any of its obligations under the New Investment Agreements;

(v) the resumption of trading of the Company's shares on the Mainboard of the SGX-ST, and the trading of the Company's Shares on the Mainboard of SGX-ST not being halted or suspended on or before the Completion Date;

(vi) the Company obtaining such approval(s) from its board of Directors in connection with the New Investment Agreements and the transactions contemplated therein as may be necessary, and such approval(s) not having been withdrawn or amended, on or before the Completion Date;

(vii) no injunction, notice or other order, legal or regulatory restraint, prohibition or condition preventing or restricting the consummation and implementation of the New Investment (or any of the proposed acts or transaction relation to the New Investment), or any part thereof, having been issued by any Governmental Authority or by any court of competent jurisdiction, and remaining in effect as at the Completion Date;

(viii) the representations and warranties of the Company in the relevant Placement Agreement being true, accurate, and correct as of the date of such relevant Placement Agreement and as if repeated on and as of the Completion Date, with reference to the then existing circumstances and the Company having performed in all of its obligations therein to be performed on or before the Completion Date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date);

(ix) the representations and warranties of each relevant Investor in the relevant Placement Agreement being true, accurate, and correct as of the date of such relevant Placement Agreement and as if repeated on and as of the Completion Date, with reference to the then existing circumstances and the Investor having performed in all of its obligations therein to be performed on or before the Completion Date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and

(x) there having occurred no Material Adverse Event (defined below), or any development reasonably likely to involve a prospective Material Adverse Event, in the financial condition, prospects, earnings, business, undertakings, assets or properties of the Group, whether or not arising from transactions in the

ordinary course of business subsequent to the date of the relevant placement agreement.

4.4. For the purpose of Paragraphs 4 and 5, the following definitions shall apply:

(a) "**Account Holder**" has the meaning ascribed to it in Section 81SF of the Securities and Futures Act;

(b) "**Business Day**" means a day when banks in Singapore are open for banking business, excluding Saturdays, Sundays and gazetted public holidays in Singapore;

(c) "**Companies Act**" means the Companies Act 1967 of Singapore;

(d) "**Completion**" means completion of the Subscription or the Issuance (as the case may be) pursuant to the respective New Investment Agreements;

(e) "**Completion Date**" means, in respect of each New Investment Agreement, the date on which Completion takes place, being a date no later than two (2) Business Days from the resumption of trading of the Company's Shares on the Mainboard of SGX-ST, or such other date as may be agreed in writing between the Company and each relevant Investor;

(f) "**Conversion Shares Resolution**" means the approval of the Independent Shareholders or the Shareholders (as the case may be) to be obtained at a general meeting of the Company for the allotment and issuance of the Conversion Shares at the Conversion Price, pursuant to Section 161 of the Companies Act and such other Rule(s) of the Mainboard Rules that may apply, on the terms and subject to the conditions of the Convertible Bond Subscription Agreement;

(g) "**Depository Agent**" shall have the meaning ascribed to it in Section 81SF of the Securities and Futures Act;

(h) "**Direct Account**" means the account maintained with CDP by an Account Holder;

(i) "**Governmental Authority**" means any Singapore or foreign government, governmental, semigovernmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or other entity (including, without limitation, the SGX-ST and the Monetary Authority of Singapore);

(j) "**Independent Shareholders**" means the Shareholders who are considered independent for the purposes of the subscription of the Subscription Shares or the Bond (as the case may be);

(k) "**Listing and Quotation**" means the admission of and the listing and quotation of the Subscription Shares or the Conversion Shares (as the case may be) on the Official List of the Mainboard;

(l) "**Mainboard Rules**" means the mainboard rules of the SGX-ST listing manual, as amended, modified or supplemented from time to time;

(m) "**Material Adverse Event**" means, *inter alia*, in relation to each Party to the relevant New Investment Agreement, any event that prevents or adversely affects or is likely to

prevent or adversely affect such Party's ability to fulfil its obligations under such relevant New Investment Agreement, and/or which otherwise has or may have a material adverse effect in the context of the relevant New Investment Agreement;

(n) "**Official List**" means the list of issuers maintained by the SGX-ST in relation to Mainboard;

(o) "**SGXNET**" means the online announcement platform hosted by SGX-ST;

(p) "**Subscription Shares Resolution**" means the approval of the Independent Shareholders or the Shareholders (as the case may be) to be obtained at a general meeting of the Company for the allotment and issuance of the Subscription Shares to the relevant Investors at the relevant issue price, pursuant to Section 161 of the Companies Act and such other Rule(s) of the Mainboard Rules that may apply, on the terms and subject to the conditions of the Placement Agreements; and

(q) "**Transaction Resolutions**" means collectively, (i) the Subscription Shares Resolution, (ii) the Conversion Shares Resolution and (iii) such other resolution(s) of the Shareholders or the Independent Shareholders that may be required by law or the Mainboard Rules or in connection with the transactions contemplated by the New Investment Agreements as may be necessary.

## 5. SALIENT TERMS OF THE CONVERTIBLE BOND SUBSCRIPTION AGREEMENT

5.1. Pursuant to the Convertible Bond Subscription Agreement and subject to the terms and conditions of the Convertible Bond Subscription Agreement:

(a) the Lead Investor agrees to subscribe for the Bonds in the principal amount of S$700,000 on the Completion Date and the Company shall issue and deliver to or to the order of the Lead Investor the Bonds;

(b) Mr Chen agrees to subscribe for the Bonds in the principal amount of S$900,000 on the Completion Date and the Company shall issue and deliver to or to the order of Mr Chen the Bonds; and

(c) Ms Liu Jing agrees to subscribe for the Bonds in the principal amount of S$900,000 on the Completion Date and the Company shall issue and deliver to or to the order of Ms Liu Jing the Bonds.

5.2. The key terms of the Convertible Bond Subscription Agreement are as follows:

(a) <u>At Completion:</u>

Subject to the fulfilment of the conditions precedent:

(i) each relevant Investor shall, against compliance by the Company of its obligations at Completion, transfer its subscription price to the bank account nominated by the Company and notified to such Investor in writing. For the avoidance of doubt, the subscription price shall only be deemed to have been paid by the relevant Investor upon written confirmation by the Company that it has received such subscription price. The transfer of the subscription price to the Company shall be made free of any foreign exchange commissions,

remittance charges or other deductions. In the event that any foreign exchange commissions, remittance charges or other deductions are required to be made, each relevant Investor shall bear such deductions and ensure that the amounts received by the Company shall in aggregate be equivalent to the subscription price set out in the Convertible Bond Subscription Agreement.

(ii) The Company shall, against compliance by the Investors with their respective obligations at Completion:

(A) a certified true copy of the resolutions passed by the directors of the Company to authorise the allotment and issuance by the Company of the Bonds and the Conversion Shares upon the conversion of the Bonds in accordance with the provisions of the Convertible Bond Subscription Agreement, the registration of the Investors in the books of the Company in respect of the Bonds and the issuance of the bond certificate(s) in respect of the Bonds in the form or substantially in the form set out in Schedule 1 of the Convertible Bond Subscription Agreement; and

(B) the bond certificates in respect of the Bonds.

(b) Conditions Precedent to Completion:

The issue of convertible bonds is conditional upon, *inter alia*:

(i) each relevant Investor having delivered such documentary evidence (in such form and manner that the Company in its absolute discretion may require) to the Company to satisfy the Company (in the absolute discretion of the Company) that such Investor have and will on Completion have sufficient financial resources to fully satisfy the subscription price that it is obliged to pay pursuant to the Convertible Bond Subscription Agreement;

(ii) the necessary approvals from all relevant Governmental Authorities having authority over the Company having been obtained, and not having been withdrawn or revoked (if applicable), including without limitation the following:

(A) to the extent required by the SGX-ST, the approval from the SGX-ST of any circular that is required to be released by the Company on the SGXNET in connection with the completion of the New Investment;

(B) the relevant approval in-principle from the SGX-ST being obtained for the Listing and Quotation of the Conversion Shares and such relevant approval not having been revoked or amended as at the Completion Date, and if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Company, and to the extent that any conditions for the Listing and Quotation are required to be fulfilled on or before the Completion Date, they are so fulfilled; and

(iii) the approval of the Independent Shareholders or the Shareholders (as the case may be) of the following having been obtained at a general meeting of the Company for:

(A) the Transaction Resolutions; and

(B) any other corporate action(s) as may be required by law or the Mainboard Rules of the SGX-ST or in connection with the transactions contemplated by the Convertible Bond Subscription Agreement as may be necessary;

(iv) the majority shareholder of the Company, CEHL, having executed a deed of irrevocable undertaking in favour of Ms Duanmu (as the lead investor) to vote in favour of the Transaction Resolutions at the general meeting of the Company;

(v) none of the New Investment Agreements having been terminated, or any party to any one of the New Investment Agreements having threatened to terminate the New Investment Agreements, or threatened to or refused to perform any of its obligations under the New Investment Agreements;

(vi) the resumption of trading of the Company's shares on the Mainboard of the SGX-ST, and the trading of the Company's Shares on the Mainboard of SGX-ST not being halted or suspended on or before the Completion Date;

(vii) the Company obtaining such approval(s) from its board of Directors in connection with the Convertible Bond Subscription Agreement and the transactions contemplated herein as may be necessary, and such approval(s) not having been withdrawn or amended, on or before the Completion Date;

(viii) no injunction, notice or other order, legal or regulatory restraint, prohibition or condition preventing or restricting the consummation and implementation of the New Investment (or any of the proposed acts or transaction relation to the New Investment), or any part thereof, having been issued by any Governmental Authority or by any court of competent jurisdiction, and remaining in effect as at the Record Date;

(ix) the representations and warranties of the Company in the Convertible Bond Subscription Agreement being true, accurate, and correct as of the date of the Convertible Bond Subscription Agreement and as if repeated on and as of the Completion Date, with reference to the then existing circumstances and the Company having performed in all of its obligations herein to be performed on or before the Completion Date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date);

(x) the representations and warranties of each Investor in the Convertible Bond Subscription Agreement being true, accurate, and correct as of the date of the Convertible Bond Subscription Agreement and as if repeated on and as of the Completion Date, with reference to the then existing circumstances and each Investor having performed in all of its obligations herein to be performed on or before the Completion Date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and

(xi) there having occurred no Material Adverse Event, or any development reasonably likely to involve a prospective Material Adverse Event, in the financial condition, prospects, earnings, business, undertakings, assets or properties of the Group, whether or not arising from transactions in the ordinary course of business subsequent to the date of the Convertible Bond Subscription Agreement.

(c) Status

The Bonds constitute and will at all times hereafter constitute, direct, unconditional, unsubordinated and unsecured obligations of the Company and rank *pari passu* among themselves and rank at least equally to all other present and future unsecured and unsubordinated obligations of the Company, including employees, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

In the event of a liquidation or winding up of the Company, the Bondholders shall rank in priority over shareholders of the Company, in the repayment process with respect to any net proceeds arising from the liquidation of the Company.

(d) Interest

No interest shall accrue or be payable on the Bonds.

(e) Payments and Redemption

The Company will not, directly or indirectly, purchase or (save as otherwise required pursuant to Paragraphs 5.2(f) or 5.2(g) below) redeem the Bonds.

(f) Conversion

(i) *Conversion Right*: Subject as provided in the Convertible Bond Subscription Agreement and the Terms and Conditions of the Bonds, at any time during the Conversion Period (defined below), each Bondholder (defined below) shall have the right, by giving at least 7 Business Days' notice (the "**Conversion Notice**") to the Company to convert all or part (subject to a minimum amount of S$100,000 and in integral multiples of S$100,000) of the Bonds registered in their name into fully paid ordinary shares of the Company (the "**Conversion Right**"), which shall rank *pari passu* in all respects with the outstanding ordinary shares for the time being in the capital of the Company, with the right to participate in full in all dividends resolved to be paid or paid on the ordinary shares after the Conversion Date whether or not such dividends are resolved or paid wholly or in part in respect of the period prior to the Conversion Date. Notwithstanding the foregoing, unless previously converted, all outstanding Bonds shall be automatically and mandatorily converted on the Mandatory Conversion Date.

(ii) *Conversion Ratio*: The maximum number of ordinary shares to be issued on the conversion of all of the Bonds will, subject to the terms and conditions of the Conversion Bond Subscription Agreement, be 50,000,000 based on the following formula (the "**Conversion Ratio**"):

$$A = B$$

---
C

Where:

A = the number of ordinary shares to be issued on the conversion of the Bonds

B = the principal amount of the Bonds

C = the conversion price of S$0.05 (the "**Conversion Price**")

(iii) *Fractions of Shares*: Fractions of shares will not be issued on conversion and no cash adjustments will be made in respect thereof.

(iv) *Mandatory Conversion*: If any Bonds are outstanding on Mandatory Conversion Date, all Bonds then outstanding shall be mandatorily and automatically converted and neither the Bondholders holding such Bonds nor the Company will be required to complete, execute or submit any Conversion Notice or deposit or deliver any other notice to this effect but Bondholders holding such Bonds shall be required to, *inter alia*, complete and submit at its own expense during normal business hours at the registered office of the Company a duly completed notice of security account (a "**Security Account Notice**") and deposit at its own expense during normal business hours at the registered office of the Company the relevant Certificate.

(v) *Restrictions on Conversion in connection with Mandatory Takeover Obligation*: Notwithstanding anything to the contrary in the Convertible Bond Subscription Agreement or the Terms and Conditions of the Bonds:

(A) no Bondholder shall be entitled to exercise the Conversion Right if and to the extent that the conversion of the Bond in accordance with the Convertible Bond Subscription Agreement or the Terms and Conditions of the Bonds would require a person, or such persons, to extend offers to holders of the any class of share capital of the Company which carries votes pursuant to rule 14 of the Code; and

(B) in the event that the Company is of the view that the mandatory and automatic conversion of all Bonds outstanding on the Mandatory Conversion Date will result in a Bondholder (or such person that the Bondholder has nominated to receive such Shares, if so entitled in accordance with the terms and conditions of the Convertible Bond Subscription Agreement or the Terms and Conditions of the Bonds) upon the conversion of the Bond to be required to extend offers to holders of the any class of share capital of the Company which carries votes pursuant to rule 14 of the Code, the Company shall in the notice of Mandatory Conversion Date to the Bondholders in accordance with condition 10 of the Terms and Conditions of the Bonds inform such Bondholder that the Bond(s) recorded in its name in the Register of Bondholders shall only be mandatorily and automatically be converted to the extent that it will not require the Bondholder (or such person that

the Bondholder has nominated to receive such Shares, if so entitled in accordance with the terms and conditions of the Convertible Bond Subscription Agreement or the Terms and Conditions of the Bonds) to extend offers to holders of the any class of share capital of the Company which carries votes pursuant to rule 14 of the Code, and if the Bondholder does not, prior to the deadline to submit the Security Account Notice, complete the of transfer the Bonds that will not be mandatorily and automatically convert to any person the conversion of which will not require a person, or such persons, to extend offers to holders of the any class of share capital of the Company which carries votes pursuant to rule 14 of the Code, the Company shall be entitled to redeem the Bonds that will not be mandatorily and automatically converted on Mandatory Conversion Date at the issue price of such Bonds.

(g) Events of Default

(i) If, at any time before the Mandatory Conversion Date:

(A) *Breach of Obligation*: the Company fails to observe or perform any of its obligations under or in respect of the terms and conditions of the Convertible Bond Subscription Agreement or the Bonds (except in respect of the payment of any principal, interest or other amount payable in respect of the Bonds) which default is incapable of remedy or, if capable of remedy, is not remedied to the Bondholders' satisfaction within 30 days after written notice requiring such default to be remedied shall have been given by the Bondholder to the Company;

(B) *Enforcement Proceedings*: an encumbrancer takes possession of, or forecloses on or a trustee, receiver or similar officer is appointed in respect of, all or a substantial part of the business or a substantial part of the assets of the Company and is not discharged within 30 days of being levied, enforced or sued out;

(C) *Illegality*: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under or in respect of the provisions of the Convertible Bond Subscription Agreement or the terms and conditions of the Bonds;

(D) *Order for Winding Up or Receivership*: an order is made or a resolution is passed for the winding up, dissolution or receivership of the Company;

(E) *Cessation of Business*: the Company ceases or threatens to cease to carry on its business; or

(F) *Disposal of Assets*: the Company without the prior written consent of the Investors sells or otherwise disposes of the whole of its undertaking or assets,

then at once or at any time thereafter the occurrence of the any one of the foregoing events but prior the Mandatory Conversion Date, the Bondholders, may, by notice to the Company, request the Company to redeem all its Bonds, whereupon the Company shall forthwith within 7 days of the Bondholders' notice, redeem all the Bondholders' Bonds at the issue price of such Bonds.

(h) Adjustments to Conversion Price

(i) If the following events occur:

(A) a consolidation of the Shares; or

(B) a sub-division of the Shares,

the then applicable Conversion Price shall be adjusted such that in respect of any conversion into Conversion Shares, the Bondholder shall on conversion receive such number of Conversion Shares as it would have been entitled to receive had the Bonds been converted immediately prior to such event.

5.3. For the purpose of Paragraph 5, the following additional definitions shall apply:

(a) "**Bondholders**" means the person in whose name a Bond is registered;

(b) "**Certificate**" means the Bond certificate issued in accordance with the Convertible Bond Subscription Agreement;

(c) "**Conversion Date**" means the date falling 7 Business Days from the date of the Conversion Notice;

(d) "**Conversion Period**" means the period from the Issue Date up to the Mandatory Conversion Date;

(e) "**Issue Date**" means the date on which the Bonds are issued pursuant the Convertible Bond Subscription Agreement;

(f) "**Mandatory Conversion Date**" means the date falling on the third anniversary of the Issue Date; and

(g) "**Record Date**" means in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company), on which Shareholders must be registered with the Company or with CDP in order to participate in such dividends, rights, allotments or other distributions.

## 6. TERMINATION OF QRH INVESTMENT DOCUMENTS

6.1. Prior to the entry into the New Investment Agreements, CEHL informed the Company that it had earlier negotiated and procured a deed from QRH, granted in favour of CEHL and the Company (the "**QRH Deed**"), which was subsequently delivered to the Company. The QRH Deed seeks to, amongst other things, permit the Company to enter into the New Investment Agreements and terminate the QRH Investment Documents upon, amongst other things, payment of the Outstanding Principal Amount to QRH.

6.2. The salient terms of the QRH Deed are as follows:

(a) the Company is entitled to solicit and negotiate the entry into an agreement with any party other than the QRH (the "**Other Investor**") which entitles the Other Investor to subscribe for Shares or rights to subscribe for or be issued Shares (the "**Other Investment**"), whether such rights of subscription or issuance are conditional, unconditional or otherwise, whether contingent, prospective or otherwise, and QRH irrevocably, unconditionally and absolutely waives all rights and benefits that prevents or otherwise restricts the Company from undertaking the foregoing acts or any acts in connection to procuring and negotiating the entry by the Company into the Other Investment;

(b) the Company is expressly entitled to enter into any agreement ("**Other Investment Agreement**") with any Other Investor in respect of any Other Investment, and QRH irrevocably, unconditionally and absolutely waives all rights and benefits that prevents or otherwise restricts the Company from undertaking the foregoing acts or any acts in connection with the entry by the Company into the Other Investment Agreement, provided always that the Other Investment Agreement must:

(i) entitle the Company to receive no less than an amount equivalent to the outstanding principal amount under the First Loan Agreement and the Second Loan Agreement (the "**Outstanding Principal Amount**"); and

(ii) put the Company in a position to repay (or procure the repayment of) an amount no less than the Outstanding Principal Amount to QRH, by way of payment to a bank account under the name of QRH only, on a date no later than the earlier of the following dates:

(A) within five (5) business days from the date on which the shares of the Company resumes trading on the SGX-ST; or

(B) within five (5) business days from the date on which the shares of Company ceases to be listed on the SGX-ST pursuant to a privatisation offer of the Company by the Other Investor,

(collectively, the "**Criteria**");

(c) no action taken by the Company to solicit, negotiate the entry into, enter into, pursue, progress or take any action taken in connection with completing the Other Investment Agreement that fulfils the Criteria (including without limitation the neglect or failure of the Company to pursue the completion of the QRH Investment Documents in preference of the Other Investment Agreement that fulfils the Criteria), shall constitute a breach of any warranty or provision in the QRH Investment Documents;

(d) in the event that CHL enters into an Other Investment Agreement that fulfils the Criteria (the "**Termination Event**"), for the period between the occurrence of the Termination Event and (whichever earlier) the termination of the QRH Investment Documents in accordance with Paragraph 6.2(e)(i) below, or the termination of the Other Investment Agreement, QRH:

(i) undertakes that it will, and procure that its related corporations, associates, affiliates and the respective controllers will take no action which may frustrate or be prejudicial to the successful completion of the Other Investment;

(ii) undertakes to use its best endeavours to assist and cooperate with the Company (and its advisors), as they may reasonably request, to facilitate the successful completion of the Other Investment;

(iii) irrevocably, unconditionally and absolutely waives all rights and benefits under or arising from the QRH Investment Documents; and

(iv) shall not, and shall be estopped from, whether directly or indirectly, enforcing any rights or benefits under or arising from the QRH Investment Documents.

(e) Upon the occurrence of the Termination Event and the payment of the Outstanding Principal Amount to QRH:

(i) the QRH Investment Documents shall be deemed to be mutually terminated immediately upon the occurrence of the Termination Event;

(ii) neither party shall have any rights or claims against the other party under any provision of the QRH Investment Documents or for any breach by that party prior to the termination of the QRH Investment Documents;

(iii) without prejudice to the foregoing, all accrued interest on the loans disbursed pursuant to the First Loan Agreement and the Second Loan Agreement shall be waived in full absolutely and immediately; and

(iv) QRH shall take any and all steps and execute all documents in connection with the termination of the QRH Investment Documents (including but not limited to executing any documentation to implement and formalise the termination, and providing any information and/or documentation that the Company may require for the purpose of responding to any query from any regulatory authority and complying with any regulatory action or provision).

6.3. As at the date of this Announcement, the Outstanding Principal Amount is approximately S$3,230,000. The Outstanding Principal Amount has been used for the following purposes:

| **Use of Outstanding Principal Amount** | **Approximate Amount** | **Estimated percentage of Outstanding Principal Amount** |
|---|---|---|
| Expenses in relation to the implementation and completion of the QRH Investment[(1)] | S$230,000 | 7.12% |
| Expenses relating to sales and marketing business initiatives[(2)] | S$970,000 | 30.03% |
| Purchase of healthcare supplements[(3)] | S$332,000 | 10.28% |
| General working capital needs[(4)] | S$1,698,000 | 52.57% |

***Notes:***

*(1) Including but not limited to audit fees.*

*(2) Please see paragraph 3.5 of the announcement of the Company on 27 December 2021.*

*(3) Please see the announcement of the Company on 3 March 2022 in respect of the proposed use of proceeds under the Second Loan Agreement.*

*(4) Including but not limited to the general overheads and operational expenses the Company and the Group, including the payment of salaries, rental payments, payment to suppliers and professional fees.*

## 7. APPROVAL FOR THE TRANSACTIONS CONTEMPLATED IN THE NEW INVESTMENT AGREEMENTS

7.1. The Company will not be relying on its existing general share issue mandate approved by the Shareholders by way of ordinary resolution at the annual general meeting of the Company held on 31 May 2023, for any of the placements to the Investors or for the issuance of the Bonds and Conversion Shares.

7.2. When the Subscription Shares are issued, and assume that the Bonds are fully converted into Conversion Shares:

(a) The Lead Investor will directly or indirectly own 40,000,007 Shares, representing (i) approximately 133.33% of the existing issued and paid-up share capital of the Company as at the date of this Announcement and (ii) approximately 28.57% of the enlarged issued and paid-up share capital of the Company after the issue of the Subscription Shares and the full conversion of the Bonds into Conversion Shares; and

(b) Mr Chen will directly or indirectly own 40,000,000 Shares, representing (i) approximately 133.33% of the existing issued and paid-up share capital of the Company as at the date of this Announcement and (ii) approximately 28.57% of the enlarged issued and paid-up share capital of the Company after the issue of the Subscription Shares and the full conversion of the Bonds into Conversion Shares; and

7.3. Under Rule 803 of the SGX-ST Listing Manual, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in a general meeting. Therefore, specific shareholder approval will be obtained in accordance with Rule 803 of the SGX-ST Listing Manual.

7.4. The issue price of the Subscription Shares and the Conversion Price of the Conversion Shares represents a discount of approximately 95.33% to the prevailing market price of the underlying shares (i.e. 21 March 2019, being the last trading day prior to the suspension of the Company's shares on SGX-ST) prior to the signing of the New Investment Agreements. As the discount presents more than 10% of the prevailing market price as required under Rule 811(2)(a) of the SGX-ST Listing Manual, specific shareholder approval will be obtained in accordance with Rule 811(3) of the SGX-ST Listing Manual.

7.5. The Company shall convene an extraordinary general meeting ("**EGM**") to seek specific Shareholders' approval for:

(a) the transfer of controlling interest as a result of the New Investment;

(b) the issuance of the Subscription Shares to the relevant Investors on the terms and conditions of the Placement Agreements; and

(c) the issuance of the Bonds and Conversion Shares to the relevant Investors on the terms and conditions of the Convertible Bond Subscription Agreement.

7.6. The corresponding circular containing the notice of the EGM shall be dispatched to Shareholders in due course.

7.7. To demonstrate its support for the New Investment, CEHL have executed a deed of irrevocable undertaking in favour of the Lead Investor to vote in favour of the Transaction Resolutions at the EGM (the "**Irrevocable Undertaking**"). As at the date of this Announcement, CEHL holds 25,008,120 Shares in the Company, representing 83.36% of the issued and paid-up share capital of the Company. The Irrevocable Undertaking is unconditional and irrevocable, save that the Irrevocable Undertaking shall lapse if any of the Placement Agreements or Convertible Bond Subscription Agreement is terminated.

## 8. FINANCIAL EFFECTS OF THE NEW INVESTMENT AGREEMENTS

8.1. It is not possible to determine precisely the financial effects the transactions contemplated in the New Investment Agreements would have on the Company until *inter alia* all the Subscription Shares have been issued and allotted, the Bonds have been converted into Conversion Shares, and the Investment Proceeds have been fully transferred to the Company.

8.2. Solely for the purposes of illustration, the Company has set out the financial effects of the transactions contemplated in the New Investment Agreements on the Company's share capital and Group's earnings per share and net assets value per share, based on the latest audited consolidated financial statements for the financial year ended 31 January 2023 ("**FY2023**").

8.3. The financial effects set out below are on the following bases and assumptions (assuming transaction cost are negligible):

(a) the Company's receipt of the full Investment Proceeds;

(b) the allotment and issuance of:

(i) to Lead Investor, 26,000,007 Subscription Shares at the Issue Price of S$0.05 per Subscription Share;

(ii) to Mr Chen, 22,000,000 Subscription Shares at the Issue Price of S$0.05 per Subscription Share;

(iii) to Ms Liu Xiaohua, 4,000,000 Subscription Shares at the Issue Price of S$0.05 per Subscription Share;

(iv) to Mr Ong, 4,000,000 Subscription Shares at the Issue Price of S$0.05 per Subscription Share;

(v) to Mr Lim, 4,000,000 Subscription Shares at the Issue Price of S$0.05 per Subscription Share;

(c) the Bonds are fully converted into 50,000,000 Conversion Shares at the Conversion Price of S$0.05 per Conversion Share;

(d) the full repayment of the Outstanding Principal Amounts under the First Loan Agreement and the Second Loan Agreement and the waiver of all accrued interest on the loans disbursed pursuant to the First Loan Agreement and the Second Loan Agreement; and

(e) the capitalisation of the aggregate principal amount of S$400,000 under the WC Loans and the waiver of all accrued interest on the WC Loans.

(collectively, the "**Corporate Actions**")

8.4. Changes in share capital, loss per share and Net Asset Value

| **Share Capital** | **FY2023** | **After the Corporate Actions** |
|---|---|---|
| Issued and paid-up share capital (S$) | 14,250,000 | 19,750,000 |
| Total number of issued shares | 29,999,993 | 140,000,000 |
| | | |
| **Loss per share** | **FY2023** | **After the Corporate Actions** |
| Net loss for the year as at FY2023 (S$)(1) | (2,402,000) | (2,047,000) |
| Number of issued shares | 29,999,993 | 140,000,000 |
| Loss per share (cents) | (8.01) | (1.46) |
| | | |
| **Net asset value ("NAV") per share** | **FY2023** | **After the Corporate Actions** |
| NAV (S$)(1) | (5,736,000) | 519,000 |
| Number of issued shares | 29,999,993 | 140,000,000 |
| NAV per share (cents) | (19.12) | 0.37 |

***Note:***

*(1) Rounded to the nearest thousand.*

## 9. CHANGES TO SHAREHOLDINGS

Subject to Paragraph 8 above including without limitation the assumptions for, *inter alia*, the full allotment, issuance and exercise set out therein, for the purposes of illustration, the changes in the shareholding of the Company with respect to the Investor are set out below.

| **Name** | **Number of existing Shares held** | **Shareholding prior to the issuance of the Subscripti** | **Number of Subscription Shares** | **Number of Conversion Shares** | **Shareholding (including the number of Subscripti** | **Shareholding (including the number of Subscripti** |
|---|---|---|---|---|---|---|

| | | **on Shares and Conversion Shares, as a percentage of the existing issued share capital of the Company[1]** | | | **on Shares but <u>excluding</u> Conversion Shares) as a percentage of enlarged issued share capital of the Company[2]** | **on Shares and Conversion Shares) as a percentage of enlarged issued share capital of the Company[3]** |
|---|---|---|---|---|---|---|
| Lead Investor | - | - | 26,000,007 | 14,000,000 | 28.89% | 28.57% |
| Chen Hao | - | - | 22,000,000 | 18,000,000 | 24.44% | 28.57% |
| Liu Xiaohua | - | - | 4,000,000 | - | 4.44% | 2.86% |
| Ong Yaw Teh | - | - | 4,000,000 | - | 4.44% | 2.86% |
| Steven Lim | - | - | 4,000,000 | - | 4.44% | 2.86% |
| Liu Jing | - | - | - | 18,000,000 | - | 12.86% |
| Creative Elite Holdings Limited | 25,008,120 | 83.36% | - | - | 27.79% | 17.86% |

***Notes:***

*(1) Based on the number of on the number of shares held divided by the existing issued and paid-up share capital of the Company of 29,999,993 fully paid-up ordinary shares immediately before the issuance of the Subscription Shares and Conversion Shares, rounded to the nearest two decimal places.*

*(2) Based on the number of Subscription Shares divided by the enlarged issued and paid-up share capital of the Company of 90,000,000 fully paid-up ordinary shares immediately after the issuance of the Subscription Shares, rounded to the nearest two decimal places.*

*(3) Based on the number of Subscription Shares and Conversion Shares divided by the enlarged issued and paid-up share capital of the Company of 140,000,000 fully paid-up ordinary shares immediately after the issuance of the Subscription Shares and Conversion Shares, rounded to the nearest two decimal places.*

## 10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company and their respective associates have any interest, direct or indirect, in the New Investment Agreements, other than through their respective shareholdings (if any) in the Company.

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

11.1. Copies of the following documents may be inspected at the Company's registered office at 16 Raffles Quay, #17-03, Hong Leong Building, Singapore 048581 during normal business hours for three (3) months from the date of this announcement:

(a) the Constitution of the Company;

(b) the Placement Agreements; and

(c) the Convertible Bond Subscription Agreement.

11.2. Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to enquiry.camsing@naturesfarm.com at least three (3) Business Days in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents. Shareholders will need to identify themselves by submitting his/her/its full name as it appears on his/her/its CDP share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company. Upon confirmation of the identity of the Shareholder, the Company will arrange a date when each Shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time. As the Valuation Report will contain financial figures from the Company's management accounts which have not been announced yet, Shareholders who wish to inspect the above documents will have to execute a non-disclosure agreement in favour of the Company.

## 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. CAUTIONARY STATEMENT

Shareholders should note that the New Investment remain subject to several conditions precedent and the approval of the Independent Shareholders at the meeting of the Shareholders to be convened to approve the Transaction Resolutions. There is no certainty or assurance that the conditions precedent can be fulfilled, or that the proposed transaction contemplated under the New Investment Agreements will be completed. Although the Company's shares are under suspension, shareholders and investors are advised to exercise caution when dealing in the Company's shares and to refrain from taking any action in respect of their shares and/or investment in the Company which may be prejudicial to their interest. Persons, who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

**BY ORDER OF THE BOARD**

Liu Hui
Executive Director
14 June 2023