

APPENDIX B

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action you should take, you should consult your legal, financial, tax or other professional adviser immediately.

This Appendix, together with the Annual Report of AsiaMedic Limited (the “**Company**”) for the financial year ended 31 December 2024, the notice of Annual General Meeting (“**Notice of AGM**”) and the accompanying proxy form, has been made available to the shareholders of the Company (the “**Shareholders**”) on the SGXNET at <https://www.sgx.com/securities/company-announcements>. Its purpose is to explain to Shareholders the relevant information relating to, and to seek Shareholders’ approval for the proposed selective capital reduction and the proposed adoption of the 2025 employee share option scheme to be tabled at the annual general meeting (the “**AGM**”) of the Company to be held on 24 April 2025 at 3:00 p.m.. A printed copy of this Appendix and the Annual Report will NOT be despatched to Shareholders. Printed copies of the Notice of AGM and the accompanying proxy form will be despatched to shareholders. If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward the Notice of AGM and the accompanying proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate notice of AGM and accompanying proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward the Notice of AGM and the accompanying proxy form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee. You should also inform the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser, that this Appendix, together with the Annual Report of the Company, the Notice of AGM and the accompanying Proxy Form, may be accessed on the SGXNET.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Xandar Capital Pte Ltd (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. This Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805, telephone: (65) 6319 4954.



ASIAMEDIC LIMITED

(Registration Number: 197401556E)
(Incorporated in the Republic of Singapore on 29 August 1974)

APPENDIX TO ANNUAL REPORT

IN RELATION TO

- (1) THE PROPOSED SELECTIVE CAPITAL REDUCTION; AND
- (2) THE PROPOSED ADOPTION OF THE 2025 EMPLOYEE SHARE OPTION SCHEME

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	21 April 2025 at 3:00 p.m.
Date and time of Annual General Meeting	:	24 April 2025 at 3:00 p.m.
Place of Annual General Meeting	:	NTUC Centre, 1 Marina Boulevard, Level 10, One Marina Boulevard, Singapore 018989

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DEFINITIONS

For the purpose of this Appendix, the following definitions have, where appropriate, been used:

“2016 ESOS”	:	The 2016 Employee Share Option Scheme adopted at an extraordinary general meeting of the Company held on 19 January 2016
“2025 ESOS”	:	The 2025 Employee Share Option Scheme, as modified, supplemented or amended from time to time
“AGM”	:	The annual general meeting of the Company to be held on 24 April 2025, notice of which is enclosed with the Annual Report 2024
“Appendix”	:	This Appendix B to the Annual Report 2024
“Annual Report 2024”	:	The annual report of the Company for FY2024 dated 2 April 2025
“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Associated Company”	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
“Auditors”	:	The auditors of the Company for the time being
“Board”	:	The board of Directors of the Company
“BPA”	:	The business purchase agreement between AATAC and LEPC dated 10 July 2023
“Capital Reduction Resolution”	:	The undertaking of a selective capital reduction exercise, to be tabled at a general meeting and passed by way of special resolution
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“CDP”	:	The Central Depository (Pte) Limited

DEFINITIONS

“Committee”	:	The Remuneration Committee of the Company, or such other committee comprising Directors of the Company or such persons as may be duly authorised and appointed by the Board to administer the 2025 ESOS
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“Company”	:	AsiaMedic Limited, a company registered in Singapore, and having its registered address at 350 Orchard Road #08-00, Shaw House, Singapore 238868
“Constitution”	:	Constitution of the Company, as amended, modified or supplemented from time to time
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over a company
“CPF Approved Nominees”	:	Agent banks included under the CPFIS
“CPF”	:	Central Provident Fund
“CPFIS”	:	Central Provident Fund Investment Scheme
“Date of Grant”	:	The date on which an Option is granted to a Participant pursuant to the rules of the 2025 ESOS
“Director”	:	A director of the Company for the time being
“Discounted Option”	:	An Option in respect of which the Exercise Price is at a discount to the Market Price
“EPS”	:	Earnings per Share
“Executive Director”	:	A Director of the Group who performs an executive function
“Exercise Price”	:	The price at which a Participant shall subscribe for each ESOS Share upon the exercise of an Option, as determined in accordance with the rules of the 2025 ESOS
“FY”	:	The financial year ended or ending 31 December
“Grantee”	:	The person to whom an offer of an Option is made
“Group Director”	:	A director of the Company and/or any of its Subsidiaries
“Group”	:	The Company and its Subsidiaries
“Latest Practicable Date”	:	19 March 2025, being the latest practicable date prior to the printing of this Appendix

DEFINITIONS

“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	The price equal to the average of the last dealt prices per Share, as determined by reference to the daily official list or other publication published by the SGX-ST for a period of five (5) consecutive Market Days immediately preceding the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares are not traded on the Catalist, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded to the nearest one-tenth of a cent in the event of fractional prices
“Market Price Option”	:	An Option in respect of which the Exercise Price is based on the Market Price
“Non-Executive Director”	:	A director of the Group who does not perform an executive function
“Non-Executive Independent Director”	:	A non-executive independent director of the Company
“Non-Executive Non-Independent Director”	:	A Director who is non-executive and not non-independent
“Notice of AGM”	:	The notice of AGM
“NTA”	:	Net tangible assets
“Objection Period”	:	A period of six (6) weeks beginning with the date of the passing of the Capital Reduction Resolution, in which a creditor can apply to object to the Capital Reduction Resolution
“Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the 2025 ESOS
“Participant”	:	A person who is eligible to participate in the 2025 ESOS in accordance with the rules of the 2025 ESOS
“Proposed Adoption of the 2025 ESOS”	:	The proposed adoption of a new employee share option scheme, known as the 2025 ESOS, to replace the 2016 ESOS
“Proposed Selective Capital Reduction”	:	The proposed selective capital reduction to cancel 25,000,000 issued scrip shares in the capital of the Company pursuant to Section 78A read with Section 78C of the Companies Act as further detail in section 2 of this Appendix
“Proxy Form”	:	The proxy form in respect of the AGM which is enclosed with the Annual Report 2024
“Resolutions”	:	The resolutions as set out in the Notice of AGM, and each, a “Resolution”
“SFRS(I) 2”	:	The Singapore Financial Reporting Standards (International) 2 <i>Share-based Payment</i>
“Scrip Shares”	:	Scrip shares in the capital of the Company

DEFINITIONS

“SGXNET”	:	A system network used by companies listed on the SGX-ST to send information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares (other than the CDP) and in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“Solvency Statement”	:	The solvency statement to be given by the Directors as required under Section 78C of the Companies Act for the purpose of the Proposed Selective Capital Reduction, in the form as stated in Section 7A of the Companies Act
“Sponsor”	:	The sponsor of the Company, Xandar Capital Pte Ltd
“Subsidiaries”	:	Shall bear the meaning ascribed in Section 5 of the Companies Act and “ Subsidiary ” shall be construed accordingly
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all voting Shares of the Company
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%” or “per cent.”	:	Per centum or percentage

The term “**Depository**” shall have the meaning given by Section 81SF of the Securities and Futures Act 2001.

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

Any reference in this Appendix and the 2025 ESOS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the said act.

Any reference to a time of a day in the Appendix is a reference to Singapore time.

LETTER TO SHAREHOLDERS

ASIAMEDIC LIMITED

(Registration Number: 197401556E)
(Incorporated in the Republic of Singapore)

Board of Directors:

Charles Wang Chong Guang	(Non-Executive Chairman)
Aona Liu	(Non-Executive Director)
Alice Ng Bee Yee	(Independent Director)
Chua Keng Woon	(Independent Director)
Leong Yew Meng	(Independent Director)

Registered Office:

350 Orchard Road #08-00
Shaw House
Singapore 238868

2 April 2025

To: The Shareholders of AsiaMedic Limited

Dear Sir/Madam,

I. THE PROPOSED SELECTIVE CAPITAL REDUCTION

II. THE PROPOSED ADOPTION OF THE 2025 EMPLOYEE SHARE OPTION SCHEME

1. INTRODUCTION

The purpose of this Appendix is to provide the Shareholders with details in respect of the Proposed Selective Capital Reduction and the Proposed Adoption of the 2025 ESOS. Shareholders' approval will be sought at the AGM to be held on 24 April 2025 at 3:00 p.m. which is set out in the Notice of AGM accompanying the Annual Report 2024.

The Company has appointed Shook Lin & Bok LLP as the legal adviser to the Company for the Proposed Selective Capital Reduction and the Proposed Adoption of the 2025 ESOS.

The SGX-ST and the Sponsor take no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Appendix.

2. THE PROPOSED SELECTIVE CAPITAL REDUCTION

2.1 Introduction

Pursuant to Section 78A read with Section 78C of the Companies Act, the Company intends to undertake a selective capital reduction to cancel 25 million Scrip Shares (the "**Relevant Shares**") that were issued and allotted to Le Private Clinic Pte. Ltd. ("**LEPC**") as part of the aggregate consideration for the Business Purchase (as defined in section 2.2 below) (the "**Proposed Selective Capital Reduction**").

Section 78C of the Companies Act requires that a public company proposing to undertake a capital reduction exercise should, *inter alia*, obtain the approval of its shareholders at a general meeting by way of a special resolution to be tabled at such general meeting.

2.2 Background and Rationale

On 10 July 2023, AsiaMedic Astique The Aesthetic Clinic Pte. Ltd. ("**AATAC**"), the Company's wholly-owned subsidiary, entered into the BPA in relation to, *inter alia*, the purchase of LEPC's business in the provision of medical aesthetic services and sale of aesthetic goods and products (the "**Business Purchase**"), for the consideration of S\$385,000 (the "**Consideration**"). Pursuant to the terms of the BPA, the Consideration shall be satisfied by the issuance and allotment of 5 million Shares and 30 million Scrip Shares (collectively, the "**Consideration Shares**") to LEPC at an issue price of S\$0.011 per Share. The Consideration Shares were allotted and issued to LEPC on 22 August 2023.

LETTER TO SHAREHOLDERS

Pursuant to the BPA, LEPC procured Dr. Lew Yi Ling, Eileen (“**Dr. E**”) to enter into a service agreement with AATAC (the “**Service Agreement**”) on 11 July 2023 for a period of five (5) years from the date of commencement of her appointment (the “**Bond Period**”) (the “**Employment Bond**”).

Subsequently, Dr. E terminated the Service Agreement with effect from 31 August 2024. Pursuant to the BPA which was subsequently amended by the supplemental agreement dated 3 October 2024, as the Service Agreement was terminated before the end of the Bond Period, LEPC shall transfer to the Company the Relevant Shares and deliver such number of the original share certificate(s) representing the Relevant Shares. AATAC shall be entitled to, *inter alia*, deal with the Relevant Shares in any manner it deems fit, including but not limited to the disposal and/or cancellation of the Relevant Shares, but subject always to any applicable rules and regulations for the time being in force in relation to the disposal and/or cancellation of shares by the Company.

The Company intends to cancel the Relevant Shares by way of the Proposed Selective Capital Reduction.

2.3 Details of the Proposed Selective Capital Reduction

The Directors propose to carry out the Proposed Selective Capital Reduction pursuant to Section 78A, read together with Section 78C of the Companies Act.

The Proposed Selective Capital Reduction will reduce the Company’s issued and fully paid-up share capital from S\$33,669,437 divided into 1,154,522,270 ordinary shares (excluding 100,000 treasury shares), to S\$33,394,437 divided into 1,129,522,270 ordinary shares (excluding 100,000 treasury shares) by the cancellation of the Relevant Shares, based on the figures in the Group’s latest audited consolidated financial statements.

The purchase consideration of the Business Purchase was allocated to the following assets, namely, the Employment Bond, goodwill on acquisition and inventory. The Employment Bond and goodwill on acquisition were fully impaired as a consequence of the termination of the Service Agreement. At the same time, a receivable amounting to S\$275,000, being the value of the Relevant Shares, was recognised.

The amount of S\$275,000, being the credit arising from the Proposed Selective Capital Reduction, shall be applied to set off against the receivable stated above, subject to the conditions in **section 2.5** below having been satisfied. Please refer to **section 2.4** of this Appendix for an illustration of the financial effects.

Pursuant to Section 78C(2) of the Companies Act, all Directors shall each make a Solvency Statement confirming that:

- (a) as regards the Company’s situation at the date of the Solvency Statement, there is no ground on which the Company could then be found unable to pay its debts;
- (b) the Company will be able to pay its debts as and when they fall due during the period of twelve (12) months immediately following the date of the Solvency Statement; and
- (c) the value of the Company’s assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the Proposed Selective Capital Reduction, become less than the value of its liabilities (including contingent liabilities).

A copy of the Solvency Statement signed by the Directors will be available for inspection at the AGM, as well as at the registered office of the Company throughout the six (6) weeks beginning with the date of the AGM.

LETTER TO SHAREHOLDERS

2.4 Financial Effects

For illustration only and based on the audited consolidated financial statements of the Group for FY2024, a summary of the financial effects of the Proposed Selective Capital Reduction is set out below. The financial effects of the Proposed Selective Capital Reduction in relation to the share capital, the equity attributable to Shareholders, the NTA and gearing are based on, *inter alia*, the assumption that the Proposed Selective Capital Reduction was completed on 31 December 2024, and the financial effects of the Proposed Selective Capital Reduction in relation to the EPS are based on, *inter alia*, the assumption that the Proposed Selective Capital Reduction was completed on 1 January 2024.

(a) Share Capital

	Group and Company	
	Before the Proposed Selective Capital Reduction	After the Proposed Selective Capital Reduction
Number of issued and paid-up Shares (excluding 100,000 treasury shares)	1,154,522,270	1,129,522,270
Share Capital	S\$33,669,437	S\$33,394,437

The number of Shares held by Shareholders (other than LEPC) will remain unchanged immediately after the Proposed Selective Capital Reduction.

(b) Equity attributable to Shareholders

	Group		Company	
	Before the Proposed Selective Capital Reduction (S\$)	After the Proposed Selective Capital Reduction (S\$)	Before the Proposed Selective Capital Reduction (S\$)	After the Proposed Selective Capital Reduction (S\$)
Equity as at 31 December 2024	16,922,215	16,647,215	11,915,674	11,640,674

(c) EPS

	Group		Company	
	Before the Proposed Selective Capital Reduction (S\$)	After the Proposed Selective Capital Reduction (S\$)	Before the Proposed Selective Capital Reduction (S\$)	After the Proposed Selective Capital Reduction (S\$)
Profit for the year attributable to owners of the Company for FY2024	1,009,648	1,009,648	1,584,969	1,584,969
Weighted average number of Shares in the Company, excluding treasury shares	1,154,522,270	1,129,522,270	1,154,522,270	1,129,522,270
EPS (cents)	0.087	0.089	0.137	0.140

LETTER TO SHAREHOLDERS

(d) NTA

	Group		Company	
	Before the Proposed Selective Capital Reduction (S\$)	After the Proposed Selective Capital Reduction (S\$)	Before the Proposed Selective Capital Reduction (S\$)	After the Proposed Selective Capital Reduction (S\$)
NTA as at 31 December 2024	16,922,215	16,647,215	11,915,674	11,640,674
Number of Shares, excluding treasury shares	1,154,522,270	1,129,522,270	1,154,522,270	1,129,522,270
NTA per Share (cents)	1.466	1.474	1.032	1.031

(e) Gearing

	Group		Company	
	Before the Proposed Selective Capital Reduction	After the Proposed Selective Capital Reduction	Before the Proposed Selective Capital Reduction	After the Proposed Selective Capital Reduction
Gearing (times)	1.25	1.27	0.45	0.46

Shareholders should note that the pro-forma financial effects have been prepared solely for illustrative purposes and do not purport to be indicative or a projection of the results and financial position of the Group and the Company after the Proposed Selective Capital Reduction has been effected.

2.5 Conditions

The Proposed Selective Capital Reduction is subject to, *inter alia*, the following:

- (a) the Directors making the Solvency Statement in relation to the Capital Reduction Resolution and compliance with other relevant solvency requirements as required by the Companies Act;
- (b) in accordance with the approval of Shareholders by way of a special resolution passed at the AGM;
- (c) compliance with the relevant publicity requirements as prescribed in the Companies Act;
- (d) lodgment with ACRA of the copy the Solvency Statement and the Capital Reduction Resolution, within fifteen (15) days beginning with the date of the passing of the Capital Reduction Resolution;
- (e) no application having been made for the cancellation of the Capital Reduction Resolution by any creditor of the Company to the Court within the timeframe prescribed in the Companies Act, or if such application was made, the dismissal thereof by the judicial authorities; and
- (f) lodgment of the relevant documents with the ACRA after the end of six (6) weeks (but before the end of eight (8) weeks) commencing from the date of the passing of the Capital Reduction Resolution.

The Company will make an immediate announcement to update Shareholders if any of the conditions for the Proposed Selective Capital Reduction as set out in this section of the Appendix are not met.

LETTER TO SHAREHOLDERS

2.6 Creditor Objections

In the event that during the six (6) weeks beginning with the date of the passing of the Capital Reduction Resolution (“**Objection Period**”), one (1) or more applications for the cancellation of the Capital Reduction Resolution is made under Section 78D(2) of the Companies Act, for the Proposed Selective Capital Reduction to take effect, the following conditions must be satisfied:

- (a) the Company must give to the ACRA notice of the application(s) for the cancellation of the Capital Reduction Resolution as soon as possible after such application(s) have been served on the Company by the creditor(s);
- (b) the proceedings in relation to each application for the cancellation of the Capital Reduction Resolution must be brought to an end by either the dismissal of the application under Section 78F of the Companies Act, or without determination (for example, because the application has been withdrawn); and
- (c) the Company must, within fifteen (15) days beginning with the date on which the last such proceedings were brought to an end in accordance with sub-paragraph (b) above, lodge with the ACRA:
 - (i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) and Section 78D(4) of the Companies Act have been complied with, and that the proceedings in relation to each such application have been brought to an end by the dismissal of the application or without determination;
 - (ii) in relation to each such application which has been dismissed by the Court, a copy of the order of the Court dismissing the application; and
 - (iii) a notice containing information relating to the Proposed Selective Capital Reduction.

Where no application for cancellation of the Capital Reduction Resolution has been made under Section 78D(2) of the Companies Act during the six (6) weeks beginning with the date of passing of the Capital Reduction Resolution, the Company must lodge with the ACRA the relevant documents required under Section 78E(2) of the Companies Act after the end of six (6) weeks, and before the end of eight (8) weeks, beginning with the date of passing of the Capital Reduction Resolution for the Proposed Selective Capital Reduction to take effect.

An announcement will be made by the Company to notify Shareholders of the effective date of the Proposed Selective Capital Reduction.

3. PROPOSED ADOPTION OF THE 2025 EMPLOYEE SHARE OPTION SCHEME

3.1 The expiring 2016 ESOS

The Company has in place the 2016 ESOS which was adopted at an extraordinary general meeting of the Company held on 19 January 2016. The 2016 ESOS has a maximum duration of ten (10) years commencing on the date on which it was adopted by the Company, and its operation is subject to the discretion of the Committee.

Accordingly, as the 2016 ESOS shall expire and lapse on 18 January 2026, the Company is proposing to adopt a new scheme, known as the 2025 ESOS, to replace the 2016 ESOS (the “**Proposed Adoption of the 2025 ESOS**”). The 2025 ESOS will take effect, and the 2016 ESOS shall lapse, immediately upon the conclusion of the AGM, subject to Shareholders’ approval being obtained at the AGM. Save for the 2016 ESOS, the Company does not have any other share option or share scheme in force.

LETTER TO SHAREHOLDERS

As at the date of this Appendix, the Company had issued 59,789,000 options pursuant to the 2016 ESOS (the “**2016 Options**”). The total number of Shares reserved in respect of the 2016 Options is 55,819,677. There were no material conditions to which the 2016 Options were subject. Details of the 2016 Options are as follows:

- (a) Details of the 2016 Options granted to eligible participants (excluding Directors) are as follows:

Dates of grant	Number of participants	Number of shares offered under options	Number of shares allotted upon exercise of the options	Number of outstanding and unexercised options	Expiry dates of options
15 June 2016	15	4,489,000	–	819,677	14 June 2026
11 July 2023	6	55,000,000	–	55,000,000	10 July 2028

- (b) Participation by the Directors of the Company was as follows:

Name	Dates of grant	Number of shares offered under the options	Number of shares allotted upon exercise of options	Number of outstanding and unexercised options
Dr Hong Hai	15 June 2016	150,000	–	–
Mr Goh Kian Chee	15 June 2016	150,000	–	–

The 2016 Options as stated above have lapsed. Other than the above, there were no other 2016 Options granted to participants who are Directors.

- (c) There were no 2016 Options granted to participants who are Controlling Shareholders of the Company or their Associates.

The Company will make the necessary application(s) for the listing and quotation of the new Shares to be issued pursuant to the 2025 ESOS upon obtaining shareholders’ approval of the 2025 ESOS at the AGM. The relevant conditions of the in-principle approval of the SGX-ST as sought by the Company through the Sponsor shall be disclosed in the announcement on the receipt of the listing and quotation notice. For the avoidance of doubt, the approval of the SGX-ST shall not be taken as an indication of the merits of the new scheme or proposed modifications to the existing scheme, as the case may be.

3.2 Rationale for the Proposed Adoption of the 2025 ESOS

The objective of the 2025 ESOS is to provide an opportunity for employees and directors of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and a higher standard of performance, and to give recognition to directors and employees of Associated Companies and non-executive directors of the Group and Associated Companies who have contributed to the success and development of the Company and the Group. The 2025 ESOS is proposed on the basis that it is important to acknowledge the contribution, which is essential to the well-being and prosperity of the Group, made by these categories of persons. The 2025 ESOS will give these categories of persons a real and meaningful stake in the Group and will help to achieve the following objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain Participants whose contributions are essential to the long-term growth and profitability of the Group;

LETTER TO SHAREHOLDERS

- (c) to instill loyalty to, and a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential Participants with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

3.3 Summary of the 2025 ESOS

The following is a summary of the rules of the 2025 ESOS:

3.3.1 Administration of the 2025 ESOS

The 2025 ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on to it by the Board. In accordance with Catalist Rule 848 and rules of the 2025 ESOS, a member of the Committee who is also a Participant of the 2025 ESOS shall abstain from deliberation in respect of the Options granted or to be granted to him.

3.3.2 Eligibility

Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the 2025 ESOS:

- (a) Group Directors;
- (b) employees of the Group; and
- (c) directors and employees of any Associated Company (if and where applicable), subject to the Company having control over such Associated Company;

provided that:

- (a) they have attained the age of twenty-one (21) years on or before the Date of Grant;
- (d) they are not undischarged bankrupts;
- (e) they have not entered into a composition with their respective creditors;
- (f) in the opinion of the Committee, they have contributed or will contribute to the success of the Group and/or the relevant Associated Company; and
- (g) in the case of employees of the Group or employees of the relevant Associated Companies, must hold such position as may be designated by the Company from time to time, and whose eligibility have been confirmed by the Company and/or any of its Subsidiaries and/or any of its Associated Companies (as the case may be) as at each proposed Date of Grant as determined by the Committee.

For the avoidance of doubt, Non-Executive Directors, Non-Executive Independent Directors and Non-Executive Non-Independent Directors are eligible for participation in the 2025 ESOS.

Where the Company extends the 2025 ESOS to Associated Company employees and Non-Executive Directors (including the Independent Directors) of Associated Companies, the Company will ensure that it has control over any such Associated Companies prior to extending the 2025 ESOS to such persons.

LETTER TO SHAREHOLDERS

Pursuant to Catalist Rule 852, participation in the 2025 ESOS by any Controlling Shareholder or his Associate must be approved by the independent Shareholders at a general meeting and a separate resolution must be passed for each such person to approve the actual number and terms of the Options to be granted to such person. The Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholders and/or their Associates any Options. Controlling Shareholders and their Associates shall abstain from voting on any resolution in relation to their participation in the 2025 ESOS and grant of Options to them.

Subject to the absolute discretion of the Committee, there shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group.

Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the 2025 ESOS may be amended from time to time at the absolute discretion of the Committee.

3.3.3 Size of the 2025 ESOS

The aggregate number of Shares over which the Committee may grant Options on any date under the 2025 ESOS shall not exceed 15% of the total issued share capital of the Company (excluding treasury shares) on the day immediately preceding the relevant Date of Grant.

The Directors believe that a limit of 15% allows the Group sufficient flexibility to decide upon the number of Options to offer to the existing and new employees. The number of eligible Participants is expected to grow over the years. The Group, in line with its goal of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new Group Directors and employees. The employee base and talent base, and thus the number of eligible Participants will increase as a result. If the number of Options available under the 2025 ESOS is limited, the Company may only be able to grant a small number of Options to each eligible Participant which may not be a sufficiently attractive incentive. The Company is of the opinion that it should have a sufficient number of Options to offer to new Participants as well as to existing ones. The number of Options offered must also be significant to serve as a meaningful reward for contributions to the Group. However, it does not necessarily mean that the Committee will definitely issue Options up to the prescribed limit. The Committee shall exercise its discretion in deciding the number of Options to be granted to each Participant, and this will depend on the performance and value of the Participant to the Group.

Overall, the aggregate number of Shares issued and/or issuable in respect of (a) all Options granted under the 2025 ESOS and any other share award scheme; and (b) all Shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force (if any), shall not exceed 25% of the total issued share capital of the Company (excluding treasury shares) on the day immediately preceding the relevant Date of Grant.

To date, the Group has not awarded any Shares under any other share award scheme.

The aggregate number of Shares for which Options may be granted under the 2025 ESOS to the Controlling Shareholders and their Associates shall not exceed 25% of the total number of Shares available under the 2025 ESOS. The number of Shares over which Options may be granted under the 2025 ESOS to each Controlling Shareholder or his Associate shall not exceed 10% of the total number of Shares available under the 2025 ESOS.

The aggregate number of Options to be granted to Non-Executive Directors (including Non-Executive Independent Directors) will not amount to more than 5% of the total number of Options available for grant under the 2025 ESOS.

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3.3.4 Maximum entitlements

The number of Shares over which Options may be granted to a Participant under the 2025 ESOS shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as rank, job performance, years of service, contribution to the success of the Group, potential for future development of that Participant and the extent of effort and resourcefulness required to achieve the service conditions and/or performance targets within the performance and/or service periods.

3.3.5 Options, exercise period and Exercise Price

The Options may have Exercise Prices that are, at the Committee's discretion, set at the Market Price or at a discount to the Market Price (subject to a maximum discount of 20%).

Options which are fixed at the Market Price (i.e. Market Price Options) may be exercised after the first anniversary of the Date of Grant while Options exercisable at a discount to the Market Price (i.e. Discounted Options) may only be exercised after the second anniversary from the Date of Grant.

Subject to the prevailing legislation and the Catalist Rules, the Company will have the flexibility to deliver Shares to Grantees upon the exercise of their Options by way of an allotment of new Shares and/or the transfer of existing Shares, including (subject to applicable laws) any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares. In determining whether to issue new Shares or to deliver existing Shares to Grantees upon the exercise of their Options, the Company will take into account factors such as the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or purchasing existing Shares.

3.3.6 Grant of Options

Under the rules of the 2025 ESOS, there are no fixed periods for the grant of Options. Accordingly, offers for the grant of the Options may be made at any time at the discretion of the Committee. However, no Option shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be).

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made on or after the second Market Day from the date on which the aforesaid announcement is released.

3.3.7 Termination of Options

Special provisions in the rules of the 2025 ESOS deal with the lapse or earlier exercise of Options in circumstances which include the Grantee ceasing to be a Group Director or a Group employee, the bankruptcy of the Grantee, the death of the Grantee, a takeover of the Company and the winding up of the Company.

3.3.8 Acceptance of offer

The grant of Options shall be accepted within thirty (30) days from the date of offer or any other period the Committee may from time to time determine. Offers of Options made to Grantees, if not accepted by the closing date, will automatically lapse and shall forthwith be deemed to be null and void and of no effect. Upon acceptance of the offer, the Grantee must pay the Company a consideration of S\$1.00 or such amount as the Committee may decide.

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3.3.9 Rights of Shares arising from the exercise of Options

Shares arising from the exercise of Options are subject to the provisions of the Companies Act and the Constitution of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Share, including those rights which rise from a liquidation of the Company). The Shares so allotted will upon issue rank *pari passu* in all respects with the then existing issued Shares, save for any dividend, rights, allotments or distributions, the record date for which is prior to the relevant exercise date of the Option. For such purposes, "record date" means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

3.3.10 Duration of the 2025 ESOS

The 2025 ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum duration of ten (10) years commencing on the date on which the 2025 ESOS is adopted by the Company in a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the 2025 ESOS may be continued for any further period thereafter with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The 2025 ESOS may be terminated at any time either unilaterally by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the 2025 ESOS is so terminated, no further options shall be offered by the Company thereafter.

The termination of the 2025 ESOS shall not affect options which have been granted and accepted as provided in the 2025 ESOS whether such options have been exercised (whether fully or partially) or not.

3.3.11 Abstention from voting

Shareholders who are eligible to participate in the 2025 ESOS are to abstain from voting on any resolution of Shareholders relating to the 2025 ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

3.3.12 Adjustments and alterations under the 2025 ESOS

Variation of capital

If a variation in the issued ordinary share capital of the Company (whether by way of rights issue, capital reduction, sub-division, consolidation of shares, distribution or otherwise) shall take place, then:

- (a) the Exercise Price in respect of the Shares comprised in any Option to the extent unexercised;
- (b) the class and/or number of Shares comprised in any Option to the extent unexercised and the rights attached thereto; and/or
- (c) the class and/or number of Shares in respect of which additional Options may be granted pursuant to the 2025 ESOS,

shall be adjusted in such a manner as the Committee may determine to be appropriate. Adjustments other than on a capitalisation issue must be confirmed in writing by the Auditors (acting as experts and not as arbitrators) to be fair and reasonable.

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The following (whether singly or in combination) shall not be regarded as events requiring adjustments:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (d) any issue of securities pursuant to any joint venture and/or debt conversion;
- (e) any increase in the number of issued Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertibles into Shares or subscription rights of any warrants issued from time to time by the Company enabling holders thereof to acquired new Shares in the capital of the Company;
- (f) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; or
- (g) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.

Notwithstanding the provisions of the rules of the 2025 ESOS:

- (a) no such adjustment shall be made if as a result, the Grantee receives a benefit that a Shareholder does not receive; and
- (b) no such adjustment shall be made unless the Committee, after considering all relevant circumstances considers it equitable to do so.

Modifications to the 2025 ESOS

The 2025 ESOS may be modified and/or altered at any time and from time to time by resolution of the Committee, provided that:

- (a) any modification or alteration which shall alter adversely the rights attached to any Options granted prior to such modification or alteration and which in the opinion of the Committee, materially alter the rights attaching to any Option(s) granted prior to such modification or alteration may only be made with the consent in writing of such number of Grantees who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters of the total number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the 2025 ESOS shall be subject to the prior approval of Shareholders in a general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST (if required) or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

3.3.13 Reporting Requirements

Pursuant to Catalist Rule 704(32), an immediate announcement must be made on the Date of Grant and provide details of the grant, including the following:

- (a) the Date of Grant;
- (b) Exercise Price of the Options granted;

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- (c) number of Options granted;
- (d) market price of the Shares on the Date of Grant;
- (e) number of Options granted to each Director and Shareholder (and each of their Associates), if any; and
- (f) the validity period of the Options.

Pursuant to Catalyst Rule 851, the Company shall, for as long as the 2025 ESOS continues in operation, make the following disclosure in its annual report:

- (a) the names of the members of the Committee administering the 2025 ESOS;
- (b) the information required in the table below for the following Grantees (which for the avoidance of doubt, shall include Grantees who have exercised all their Options in any particular financial year):
 - (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (b)(i) and (b)(ii) above, who receive 5% or more of the total number of Options available under the 2025 ESOS; and

Name of Participant	Options granted during the financial year under review (including terms)	Aggregate options granted since commencement of 2025 ESOS to end of financial year under review	Aggregate options exercised since commencement of 2025 ESOS to end of financial year under review	Aggregate options outstanding as at end of financial year under review
[●]	[●]	[●]	[●]	[●]

- (c) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and
- (d) and any other information required to be so disclosed pursuant to the Catalyst Rules and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

3.4 Grant of Discounted Options

Discounted Options will only be granted to deserving Participants whose performance has been consistently good and/or whose future contributions to the Group will be invaluable. The ability to offer Discounted Options will operate as a means to recognise the performance of Grantees as well as to motivate them to continue to excel while encouraging them to focus on improving the profitability and return of the Group to a level that benefits Shareholders when these are eventually reflected through an appreciation of the Company's share price. Discounted Options would be perceived in a more positive light by the Grantees, inspiring them to work hard and produce results in order to be offered Discounted Options as only Participants who have made significant contributions to the success and development of the Group would be granted Discounted Options.

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The flexibility to grant Discounted Options is also intended to cater to situations where the stock market performance has overrun the general market conditions. In such events, the Committee will have absolute discretion to:

- (a) grant Options set at a discount to the Market Price of a Share (subject to a maximum limit of 20%); and
- (b) determine the Participants to whom, and the Options to which, such reduction in Exercise Prices will apply.

In determining whether to give a discount and the quantum of the discount, the Committee shall be at liberty to take into consideration factors including the performance of the Company, the Group, the performance of the Participant concerned, the contribution of the Participant to the success and development of the Group and the prevailing market conditions.

At present, the Company foresees that Discounted Options may be granted principally in the following circumstances:

- (a) Firstly, where it is considered more effective to reward and retain talented Participants by way of a Discounted Option rather than a Market Price Option. This is to reward the outstanding performers who have contributed significantly to the Group's performance and the Discounted Option serves as additional incentive to such Participants. Options granted by the Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence during such periods the ability to offer Discounted Options would allow the Company to grant Options on a more realistic and economically feasible basis. Furthermore, Discounted Options will give an opportunity to the Participants to realise some tangible benefits even if external events cause the Share price to remain largely static.
- (b) Secondly, where it is more meaningful and attractive to acknowledge a Participant's achievements through a Discounted Option rather than paying him a cash bonus. For example, Discounted Options may be used to compensate Participants and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or Discounted Options, as part of the compensation packages for Participants. The 2025 ESOS will provide the Participants with an incentive to focus more on improving the profitability of the Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of the Shares after the vesting period.

The Committee will have the absolute discretion to grant Discounted Options, to determine the level of discount (subject to a maximum discount of 20% of the Market Price) and the Grantees to whom, and the Options to which, such discount in the Exercise Price will apply provided that Shareholders in general meeting shall have authorised the making of offers and grants of Options under the 2025 ESOS at a discount not exceeding the maximum discount as aforesaid. The Company may also grant Options without any discount to the Market Price. In addition, the Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the market price or at a discount to the Market Price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

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3.5 Rationale for permitting the participation of Controlling Shareholders and their Associates, directors and employees of Associated Companies (if and where applicable)

3.5.1 Controlling Shareholders and their Associates

An employee who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be entitled to participate in the 2025 ESOS. Although Controlling Shareholders or their Associates may already have shareholding interests in the Company, including them in the 2025 ESOS ensures that they are equally entitled, with the other eligible directors and employees of the Group who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. The Company is of the view that the Company should have a fair and equitable system to reward the eligible directors and employees who have made and continue to make important contributions to the long-term growth of the Group notwithstanding that they are Controlling Shareholders or their Associates. A person who would otherwise be eligible should not be excluded from participating in the 2025 ESOS solely for the reason that he is a Controlling Shareholder or an Associate of a Controlling Shareholder.

Specific approval of independent Shareholders is required for the participation of Controlling Shareholder(s) and their Associates in the 2025 ESOS. When it is proposed that Options be granted under the 2025 ESOS to eligible Participants who are Controlling Shareholders or Associates of Controlling Shareholder(s), in accordance with the requirements of the Catalist Rules, the actual number and terms of the Options to be granted to each such person are subject to the approval of independent Shareholders in a separate resolution. In seeking such independent Shareholders' approval, clear justification as to their participation and the number and terms (including the Exercise Price) of Options to be granted to the Controlling Shareholder or Associate of Controlling Shareholder shall be provided. Accordingly, the Company is of the view that there are sufficient safeguards against any abuse of the 2025 ESOS resulting from the participation of Controlling Shareholder(s) or their Associates.

As at the Latest Practicable Date, save for Ms Aona Liu, who is both a Director and a Controlling Shareholder, there are no other employees of the Group or Group Directors who are Controlling Shareholders or Associates of Controlling Shareholders.

3.5.2 Directors and employees of Associated Companies

It is desired that the Company should have a share option scheme which caters to the directors and employees of the Group as well as persons who are not employed within the Group but who work closely with the Group and who, by reason of their relationship with the Group, are in a position to input and contribute their experience, knowledge and expertise to the development and prosperity of the Group. Such other persons would include the directors and employees of any Associated Companies (present and/or in the future) which the Group has control over.

3.6 Rationale for permitting the participation of Non-Executive Directors (including Non-Executive Independent Directors) in the 2025 ESOS

The Non-Executive Directors (including the Non-Executive Independent Directors) of the Company are from different professions and working backgrounds. They are able to provide the Group with the benefit of their extensive experience, knowledge and expertise that can assist in furthering the business interests of the Group, and/or provide the Group with strategic or significant alliances or opportunities. The Company regards these persons as a resource pool from which the Group is able to tap for business contacts and networking, and for the benefit of their experiences and insight. Participation in the 2025 ESOS is being extended to Non-Executive Directors (including Non-Executive Independent Directors) in recognition of their contributions. The Company will consider, *inter alia*, the contributions of such persons to the success and development of the Group when selecting them for participation in the 2025 ESOS.

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As the 2025 ESOS is intended to cater primarily to employees of the Group, it is anticipated that Options that may be granted to the Non-Executive Directors (including Non-Executive Independent Directors) pursuant to the 2025 ESOS in the situations described above, would not comprise (whether on an individual or collective basis) a significant portion of the Shares available under the 2025 ESOS as the Non-Executive Directors (including Non-Executive Independent Directors) would, mainly, continue to be remunerated for their services by way of directors' fees. It is envisaged that the bulk of the Options granted pursuant to the 2025 ESOS will be to other employees of the Group, as they will comprise the bulk of the Participants. As such, the Company anticipates that the aggregate number of Options to be granted to Non-Executive Directors (including Non-Executive Independent Directors) will not amount to more than 5% of the total number of Options available for grant under the 2025 ESOS. Should there be any unusual grant that is not in line with such intention, the Company will seek the approval of the Shareholders before such grant is being made.

The provision of Options to the Non-Executive Directors (including Non-Executive Independent Directors) will ensure that the Company will be able to continue to attract onto its Board, directors who will be able to assist in furthering the business interests of the Group. This will help enhance the growth and long-term profitability of the Group.

As at the Latest Practicable Date, all the Directors are eligible to participate in the 2025 ESOS.

3.7 Financial Effects of the 2025 ESOS

3.7.1 Potential cost of Options

The cost of granting Options under the 2025 ESOS will have an impact on the Group's profit or loss under SFRS(I) 2.

The Options exercised under the 2025 ESOS are wholly settled in Shares upon the exercise of such Options by Participants against payment of the relevant Exercise Price.

Equity-settled share-based payments are measured at fair value of the equity instruments at the Date of Grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share option reserve. After the vesting date, no adjustment to the charge to the consolidated income statement is made.

The fair value of the equity instruments granted is determined based on market prices if available, taking into account the terms and conditions upon which those equity instruments are granted. If market prices are not available, the entity shall estimate the fair value of the equity instruments granted using a valuation technique to estimate what the price of the equity instruments would have been on grant date in an arm's length transaction between knowledgeable, willing parties. The valuation technique shall be consistent with generally accepted valuation methodologies for pricing financial instruments, and shall incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price.

The amount recognised in profit or loss would be the same whether the Company settles the Options using new Shares or existing Shares.

3.7.2 Share capital

The 2025 ESOS will result in an increase in the Company's issued share capital only if new Shares are issued to the Participants. The number of new Shares issued will depend on, *inter alia*, the size of the Options granted under the 2025 ESOS. However, if existing Shares held as treasury shares are delivered to Participants in lieu of issuing new Shares to Participants, the 2025 ESOS will have no impact on the Company's issued share capital.

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3.7.3 NTA

The issue of new Shares upon the exercise of the Options will increase the NTA of the Group by the aggregate Exercise Price of the new Shares. On a per Share basis, the effect on the NTA of the Group is accretive if the Exercise Price is above the NTA per Share but dilutive if otherwise.

3.7.4 EPS

Without taking into account earnings that may be derived by the Group from the use of the proceeds from the issuance of Shares pursuant to the exercise of Options granted under the 2025 ESOS, any new Shares issued pursuant to any exercise of the Options will have a dilutive impact on the Group's EPS. Outstanding Options without being exercised are dilutive to the calculation of diluted EPS when the Exercise Price of the issue of Shares is less than the prevailing market price during the period. Options have a dilutive effect only when the prevailing market price during the period exceeds the Exercise Price of the Options.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, the interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct interest		Deemed interest		Total interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Aona Liu ⁽²⁾	–	–	358,471,030	31.05	358,471,030	31.05
Substantial Shareholders (other than Directors)						
Integral Lead Limited	358,471,030	31.05	–	–	358,471,030	31.05
Alina W Liu ⁽²⁾	–	–	358,471,030	31.05	358,471,030	31.05
Dragon Glorious Limited	76,813,516	6.65	–	–	76,813,516	6.65
Yang Rongbing ⁽³⁾	–	–	76,813,516	6.65	76,813,516	6.65
Su Kajia ⁽³⁾	–	–	76,813,516	6.65	76,813,516	6.65
Capital Blaze Limited	76,813,516	6.65	–	–	76,813,516	6.65
Yuan Huixian ⁽⁴⁾	–	–	76,813,516	6.65	76,813,516	6.65

Notes:

- (1) Based on 1,154,522,270 issued shares (excluding 100,000 treasury shares and nil subsidiary holdings) of the Company as at the Latest Practicable Date
- (2) Aona Liu and Alina W Liu hold 80% and 20% of the issued and paid-up share capital of Integral Lead Limited ("ILL") respectively and each of them is deemed to have an interest in the shares held by ILL by virtue of Section 4 of the Securities & Futures Act 2001 ("SFA").
- (3) Yang Rongbing and Su Kajia hold 51% and 45% of the issued and paid-up share capital of Dragon Glorious Limited ("DGL") respectively and each of them is deemed to have an interest in the shares held by DGL by virtue of Section 4 of the SFA.
- (4) Yuan Huixian holds the entire the issued and paid-up share capital of Capital Blaze Limited ("CBL") and is deemed to have an interest in the shares held by CBL by virtue of Section 4 of the SFA.

Save as disclosed in this Appendix, none of the Directors and/or the Substantial Shareholders have any interest, direct or indirect, in the Proposed Selective Capital Reduction and the Proposed Adoption of the 2025 ESOS other than through their respective shareholdings in the Company, if any.

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5. DIRECTORS' RECOMMENDATIONS

The Board, having considered, *inter alia*, the terms and the rationale of the Proposed Selective Capital Reduction, is of the view that the Proposed Selective Capital Reduction is in the best interests of the Company, and accordingly recommend that the Shareholders vote in favour of the special resolution relating to the Proposed Selective Capital Reduction as set out in the Notice of AGM.

As all the Directors are eligible to participate in, and are therefore interested in the Proposed Adoption of the 2025 ESOS, they have refrained from making any recommendation as to how Shareholders should vote in respect of the ordinary resolution relating to the Proposed Adoption of the 2025 ESOS set out in the Notice of AGM.

6. ABSTENTION FROM VOTING

As the Proposed Selective Capital Reduction proposes to cancel the Relevant Shares owned by LEPC pursuant to the BPA, LEPC has a direct interest in the Proposed Selective Capital Reduction. Accordingly, LEPC (and Dr. E, who is interested in 40% of the shares in LEPC) and its associates, shall abstain from voting in respect of the Proposed Selective Capital Reduction at the AGM. LEPC and its associates, as well as Dr. E, shall also not accept nominations to act as proxy, corporate representatives or attorney to vote in respect of all of the Proposed Selective Capital Reduction unless the Shareholders appointing any of them have indicated clearly how votes are to be cast.

Catalist Rule 858 states that shareholders who are eligible to participate in the scheme must abstain from voting on any resolution relating to the scheme (other than a resolution relating to the participation of, or grant of options to, directors and employees of the issuer's parent company and its subsidiaries).

Accordingly, all persons (including Directors and such employees of the Group or Associated Company, as the case may be) who are eligible to participate in the 2025 ESOS must abstain from voting on the ordinary resolution relating to the Proposed Adoption of the 2025 ESOS at the AGM and shall also refrain from accepting nominations as proxy or otherwise vote at the AGM in respect of the ordinary resolution relating to the Proposed Adoption of the 2025 ESOS unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be casted.

The Company will disregard any votes cast on the resolutions relating to the Proposed Adoption of the 2025 ESOS by all persons who are eligible to participate in the Proposed Adoption of the 2025 ESOS.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed Resolutions, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from, published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

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8. ANNUAL GENERAL MEETING

The AGM, notice of which is enclosed with the Annual Report 2024, will be held at NTUC Centre, 1 Marina Boulevard, Level 10, One Marina Boulevard, Singapore 018989 on 24 April 2025 at 3:00 p.m. for the purposes of considering, and if thought fit, passing with or without modifications, the resolutions set out in the Notice of AGM. Shareholders should refer to the Notice of AGM for details of how to participate in the AGM.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 350 Orchard Road #08-00, Shaw House, Singapore 238868 during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Constitution of the Company;
- (b) the Annual Report 2024;
- (c) the Solvency Statement; and
- (d) the rules of the 2025 ESOS.

Yours faithfully,

Charles Wang Chong Guang
Non-Executive Chairman

For and on behalf of
The Board of Directors of
ASIAMEDIC LIMITED