



**SDAI LIMITED**  
(Company Registration No. 201107179D)  
(Incorporated in the Republic of Singapore)

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## ENTRY INTO JOINT VENTURE SHAREHOLDERS' AGREEMENT

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### 1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of SDAI Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 9 December 2025 in relation to the Company's entry into a non-binding memorandum of understanding (the "**MOU**") with Hubei Qiai Group Co., Ltd. (湖北蕲艾集团有限公司) ("**Hubei Qiai**").

The Company is pleased to announce that following the entry into the MOU between the Company and Hubei Qiai, the Company has entered into a joint venture shareholders' agreement with Hubei Qiai (together with the Company, the "**JV Parties**"), QCM Holdings Pte. Ltd. (the "**JVCo**") and QCM International Pte. Ltd. dated 12 January 2026 (the "**JVSHA**"), pursuant to which the JV Parties have agreed to, *inter alia*:

- (a) incorporate the JVCo and collaborate through the JVCo to create an international operations platform with the aim to expand the moxibustion products market within the ASEAN region ("**Target Market**");
- (b) establish the framework for the operation of the Joint Venture (as defined below); and
- (c) set out in the JVSHA the JV Parties' respective shareholdings in the JVCo.

### 2. INFORMATION ON HUBEI QIAI

- 2.1. Hubei Qiai is a company incorporated in the People's Republic of China ("**PRC**") on 10 September 2021. As at the date of the JVSHA, Hubei Qiai has a subscribed capital of RMB100,000,000.
- 2.2. Hubei Qiai is a well-established manufacturer and retailer of moxibustion products in the PRC. As a leader in the moxibustion industry chain in the PRC, Hubei Qiai operates standardised planting bases, has core production technologies, and maintains a mature sales network in the PRC. Hubei Qiai also possesses strong research and development capabilities for moxibustion products and a robust supply chain.
- 2.3. As far as the Company and the Board are aware, as at the date of the JVSHA, none of Hubei Qiai, its directors and its shareholders are related to the Group, the Company, the Directors and the substantial shareholders of the Company or their respective associates.

### 3. INFORMATION ON THE JVCO

The JV Parties will be incorporating the JVCo, a company limited by shares in Singapore as the vehicle to undertake the Joint Venture (as defined below). Upon incorporation, the JVCo will have an issued share capital of S\$100,000 comprising 100,000 ordinary shares (“**JV Shares**”) held by the Company and Hubei Qiai as the initial subscribers to the share capital of the JVCo. Please refer to paragraph 4.2 of this announcement for further details on the intended capital structure of the JVCo.

### 4. SALIENT TERMS OF THE JVSHA

#### 4.1. Business of the JVCo

The core business of the JVCo is to create an international operations platform focusing on global brand promotion, international channel development, pricing system design and sales conversion, with the aim to expand the moxibustion products market in the Target Market (the “**Joint Venture**”).

It is anticipated that the JVCo will be entering into a commercial agreement with Hubei Qiai containing terms relating to, *inter alia*, the supply of moxibustion products by Hubei Qiai and the distribution and sale of such moxibustion products by the JVCo.

#### 4.2. Capital structure of the JVCo

Under the JVSHA, upon the incorporation of the JVCo, the Company shall subscribe for 55,000 JV Shares (each an “**SDAI Share**” and collectively, the “**SDAI Shares**”) at a subscription price of S\$1 for each SDAI Share and subject to the terms of the JVSHA, Hubei Qiai shall subscribe for 45,000 JV Shares (each a “**Hubei Share**” and collectively, the “**Hubei Shares**”) at a subscription price of S\$1 for each Hubei Share.

Additionally, Hubei Qiai has undertaken to the Company to incorporate a wholly-owned subsidiary in Singapore by the name of QCM International Pte. Ltd. (or such other name to be determined by Hubei Qiai)(“**QCMI**”) as soon as reasonably practicable following the date of the JVSHA. Upon the incorporation of QCMI, Hubei Qiai shall procure the transfer of its entire shareholdings in the JVCo to QCMI on the terms and subject to the conditions in the JVSHA, and the ratification by QCMI, in favour of the Company and the JVCo, of the JVSHA.

Following the completion of the above transactions, the share capital structure of the JVCo shall be as follows:

Shareholder of the JVCo	Number of JV Shares Held	Shareholding Percentage
Company	55,000	55%
QCMI	45,000	45%
<b>Total</b>	<b>100,000</b>	<b>100%</b>

As at the date of the JVSHA, Hubei Qiai has yet to obtain such approvals, waivers and/or consents in relation to the Applicable Laws applicable to Hubei Qiai as may be required for or in connection with the payment by Hubei Qiai and/or QCMI (collectively, the “**Hubei Group**”) to the JVCo of the aggregate subscription price for the Hubei Shares. As such, the Hubei Shares to be subscribed by Hubei Qiai upon the incorporation of the JVCo shall be, when allotted and issued by the JVCo and subsequently transferred to QCMI, credited as unpaid and representing an issued share capital of S\$45,000. “Applicable Laws” is defined in the JVSHA as with respect to any person, any and all applicable constitutions, treaties, statutes, laws, by-laws, regulations, ordinances, codes, rules (including without limitation, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)), directives, rulings,

judgments, rules of common law, orders, decrees, awards, injunctions or any form of decisions, determinations or requirements of or made or issued by, governmental, statutory, regulatory, administrative, supervisory or judicial authorities or bodies (including without limitation, any relevant stock exchange) or any court, arbitrator or tribunal with competent jurisdiction, as amended or modified from time to time, and to which such person is subject.

Under the JVSHA, Hubei Qiai has undertaken to the Company and the JVCo to procure the payment by QCMI to the JVCo of the aggregate subscription price for the Hubei Shares as soon as reasonably practicable after obtaining the aforesaid requisite approvals, waivers and/or consents and upon receipt of such payment, the JVCo shall credit the Hubei Shares as fully paid.

#### 4.3. **JV Board composition**

The board of directors of the JVCo (the “**JV Board**”) shall consist of not more than three (3) members. The members of the JV Board shall consist of two (2) persons that the Company may from time to time nominate as directors of the JVCo and one (1) person that the Hubei Group may from time to time nominate as a director of the JVCo (“**QCMI Director**”). The quorum for all meetings of the JV Board including, *inter alia*, adjourned board meetings, shall be two (2) directors, including at least one (1) director appointed by each of the Company and the Hubei Group. The chairman of the JV Board shall be elected by the members of the JV Board. The chairman of the JV Board shall not be entitled to a second or casting vote at any meeting of the JV Board or at any general meeting of the JVCo. Resolutions of the JV Board shall be carried by a simple majority vote of the directors of the JVCo (such majority to include the QCMI Director).

#### 4.4. **Operation of the Joint Venture**

The JV Board will be responsible for the management and supervision of the business of the JVCo. Furthermore, pursuant to the JVSHA, the JV Parties have undertaken to ensure, *inter alia*, that:

- (a) any development or expansion of the business of the Joint Venture in the Target Market shall only be effected through the JVCo and its subsidiaries (if any)(the “**JV Group**”);
- (b) the business and affairs of the JV Group shall be properly and efficiently managed and operated in accordance with sound commercial principles and in accordance with all Applicable Laws; and
- (c) the JVCo shall promptly apply for and maintain the validity of all statutory and other licences, consents, authorisations, confirmations, permissions, certificates, approvals and authorities for its operation of the business of the JVCo.

#### 4.5. **Relevant approvals**

The entering into of the Joint Venture by the Company, the undertaking of the business proposed to be undertaken by the JV Group and the obligations of the Company set out in the JVSHA, are subject to the obtaining of all approvals, waivers and/or consents in relation to the Applicable Laws applicable to the Company as may be required from time to time and where any such approval, waiver or consent is subject to conditions, such conditions being reasonably satisfactory to the Company. In the event any such approval, waiver or consent is required to be obtained by the Company, the JV Parties agree to discuss in good faith such measures and steps to be adopted including but not limited to the suspension of the Joint Venture and the business of the JV Group pending the receipt of the aforesaid approval, waiver or consent.

#### 4.6. **Additional funding**

If the JV Board determines at any time that the JVCo requires additional financing, the JV Board shall consider whether or not to approach the JVCo's bankers or other financial institutions or, in appropriate circumstances, to seek such further finance from the shareholders of the JVCo (the "**JV Shareholders**"). The JV Shareholders shall not be required to contribute any loan or equity capital to the JVCo or to guarantee any debt of the JVCo without their prior written consent. In the event that undertakings, guarantees or any other securities are provided by the JV Shareholders or any of their respective related corporations to any third parties in connection with any credit or banking facilities provided to the JVCo, the JV Shareholders shall, unless otherwise unanimously agreed, provide the same in proportion to their respective shareholdings in the JVCo (or in such other proportion as may be agreed by all the JV Shareholders) and on a several basis.

#### 4.7. **Pre-emption rights over New Securities**

If the JVCo proposes to allot or issue any new shares or other securities convertible into or carrying the right to subscribe for its shares ("**New Securities**"), the JV Shareholders shall have pre-emption rights over such New Securities, on the same terms and at the same price as they are being offered to other person(s).

#### 4.8. **Dividend policy**

The JVCo shall distribute to the JV Shareholders in proportion to their respective shareholdings in the JVCo such portion of the JVCo's distributable profits in each financial year as the JV Board shall reasonably determine, subject to any retention that the JV Board may consider appropriate with respect to any other obligation or liability of the JVCo and the JV Board making reasonable provisions and transfers to reserves.

#### 4.9. **Restrictions on the transfer of JV Shares**

A JV Shareholder shall not, and shall not agree to, transfer, mortgage, charge or otherwise dispose of the whole or any part of its interest in, or grant any option or other rights over its JV Shares to any person except with the prior written consent of the other JV Shareholder or where permitted under the JVSHA or the constitution of the JVCo, except for a transfer of its JV Shares to any of its Affiliates. "Affiliates" is defined in the JVSHA as, in relation to any party to the JVSHA, any Subsidiary or Parent Company of that party and any Subsidiary of that Parent Company, in each case from time to time, whether incorporated before or after the date of the JVSHA. "Parent Company" is defined in the JVSHA as any company or entity that, in relation to another company or entity (its "Subsidiary"): (a) holds a majority of the voting rights in the Subsidiary; (b) is a shareholder of the Subsidiary and has the right to appoint or remove a majority of its board of directors; (c) is a shareholder of the Subsidiary and controls a majority of the voting rights in it under an agreement with other members; or (d) has the right to exercise a dominant influence over the Subsidiary under the Subsidiary's constitution or a contract authorised by its shareholders, in each case, whether directly or indirectly through one or more companies or other entities.

#### 4.10. **Non-competition and non-solicitation**

The Company and its Affiliates are, during the term of the JVSHA and for two (2) years after the Company ceases to hold any JV Shares, bound by the non-competition and non-solicitation restrictions set out in the JVSHA (unless otherwise agreed by prior written consent of the Hubei Group). Such restrictions include, *inter alia*, carrying on or otherwise being concerned with or interested in any business competitive with the business of the JV Group in the Target Market, soliciting or persuading a customer or client of the JV Group to cease doing business with the

JV Group or reduce the amount of business which it would normally do with the JV Group, use or disclose to any third party any trade secrets, product information or confidential information regarding the business of the JV Group, and induce any current or prospective employee of the JV Group to terminate his or her employment with the JV Group.

#### **4.11. Governing law**

The JVSHA is governed by the laws of Singapore.

### **5. RATIONALE FOR THE JOINT VENTURE**

The shareholders of the Company had at the extraordinary general meeting of the Company held on 27 July 2020 approved the diversification of the core business of the Group to include the business comprising the trading of medical and related supplies. The Joint Venture is another strategic step in the Company's long-term plan to transform into a biomedical company through new collaborations with reputable business partners such as Hubei Qiai for trading medical and related supplies. The Directors are of the reasonable opinion that the Joint Venture is a suitable opportunity for the Company to grow its medical supplies business segment regionally and globally and add new revenue streams for its shareholders' benefits.

### **6. FINANCIAL EFFECTS OF THE JOINT VENTURE**

The intended subscription by the Company of 55,000 SDAI Shares will be funded through the Company's internal resources. The aforesaid subscription and the Company's entry into the JVSHA are not expected to have any material impact on the net tangible assets and earnings/loss per share of the Group for the financial year ending 31 December 2026 as of the date of this announcement. The Company will make a separate announcement should there be any material developments arising from the Joint Venture.

### **7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company nor their respective associates have any interest, direct or indirect, in the Joint Venture or the JVCo, other than through their respective shareholdings in the Company (if any).

### **8. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the JVSHA (in both English and Chinese languages) is available for inspection at the Company's principal place of business at 6 Clementi Loop, #02-18 EAC Building, Singapore 129814 during normal business hours for a period of three (3) months from the date of this announcement.

### **9. FURTHER ANNOUNCEMENTS AND CAUTION IN DEALING**

- 9.1. The Company will make the necessary announcements, in compliance with the requirements of the Listing Manual Section B: Rules of Catalist of the SGX-ST, as and when there are material developments in respect of the Joint Venture or the JVSHA.
- 9.2. Shareholders and potential investors of the Company should note that as at the date of this announcement, there is no certainty or assurance that the transactions contemplated by and under the JVSHA will be completed or that no subsequent changes will be made to the terms of the JVSHA or the Joint Venture.

- 9.3. Notwithstanding that the shares in the Company have been suspended from trading on the SGX-ST since 12 July 2021, shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully.
- 9.4. Shareholders and potential investors of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board of  
**SDAI Limited**

Mdm Hao Dongting  
Executive Chairperson  
12 January 2026

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*This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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