

CIRCULAR DATED 12 APRIL 2024

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

If you are in any doubt as to the contents of this Circular or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred your Shares held through CDP, you need not forward this Circular, the Notice of EGM and the accompanying Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular, the Notice of EGM and the accompanying Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Circular, the Notice of EGM and the accompanying Proxy Form to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Printed copies of this Circular, the Notice of EGM and the Proxy Form will be despatched to Shareholders by post. Shareholders are invited to attend the EGM in person. There will be no option for Shareholders to participate by electronic means.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). This Circular has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr Jerry Chua at Evolve Capital Advisory Private Limited, 138 Robinson Road, #13-02, Oxley Tower, Singapore 068906, telephone (65) 6241 6626.



AJJ MEDTECH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198403368H)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE; AND**
- (2) THE PROPOSED DIVERSIFICATION**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	27 April 2024 at 3.00 p.m.
Date and time of EGM	:	29 April 2024 at 3.00 p.m. (or immediately after the conclusion of the AGM)
Place of EGM	:	8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated.

General

- “AGM”** : The forthcoming annual general meeting of the Company to be held on 29 April 2024 at 2.00 p.m.
- “Average Closing Price”** : Has the meaning ascribed to it in [Section 2.4.4](#) of this Circular
- “Catalist”** : The Catalist of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended or modified from time to time
- “Circular”** : This circular to Shareholders dated 12 April 2024
- “Companies Act”** : The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
- “Constitution”** : The constitution of the Company in force for the time being
- “DKP Disposal”** : Has the meaning ascribed to it in [Section 3.1](#) of this Circular
- “EGM”** : The extraordinary general meeting of the Company to be held on 29 April 2024 at 3.00 p.m. (or immediately after the conclusion of the AGM), notice of which is set out on pages N-1 to N-7 of this Circular
- “FY2023”** : Financial year ended 31 December 2023
- “Healthcare Device Business”** : Has the meaning ascribed to it in [Section 3.1](#) of this Circular
- “Latest Practicable Date”** : 28 March 2024, being the latest practicable date prior to the printing of this Circular
- “LPS”** : Loss per Share
- “Market Day”** : A day on which the SGX-ST is open for trading in securities
- “Market Purchase”** : Has the meaning ascribed to it in [Section 2.4.3](#) of this Circular
- “Maximum Limit”** : Has the meaning ascribed to it in [Section 2.4.1](#) of this Circular
- “Maximum Price”** : Has the meaning ascribed to it in [Section 2.4.4](#) of this Circular
- “Medical Hardware”** : Has the meaning ascribed to it in [Section 3.1](#) of this Circular
- “Medtech Business”** : Has the meaning ascribed to it in [Section 3.1](#) of this Circular

DEFINITIONS

“Notice of EGM”	:	The notice of EGM which is set out on pages N-1 to N-7 of this Circular
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in <u>Section 2.4.3</u> of this Circular
“Proposed Diversification”	:	The proposed diversification of the Group’s business into the Medtech Business, as further detailed in <u>Section 3</u> of this Circular
“Proxy Form”	:	The proxy form accompanying this Circular as set out on pages P-1 to P-3 of this Circular
“Register of Members”	:	The Register of Members of the Company
“Register of Substantial Shareholders”	:	The Register of Substantial Shareholders of the Company
“Relevant Period”	:	Has the meaning ascribed to it in <u>Section 2.4.2</u> of this Circular
“Securities Account”	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
“Share Buyback”	:	The purchase or acquisition by the Company of its Shares pursuant to the Share Buyback Mandate
“Share Buyback Mandate”	:	The general mandate given by Shareholders to authorise the Directors to purchase or acquire issued Shares in accordance with the terms set out in this Circular, the Companies Act, the Catalist Rules and the Constitution
“Shares”	:	Ordinary shares in the share capital of the Company
“SRS”	:	Supplementary Retirement Scheme
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time

Companies, Persons, Organisations and Agencies

“ACRA”	:	Accounting and Corporate Regulatory Authority
“Board”	:	The board of Directors
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	AJJ Medtech Holdings Limited

DEFINITIONS

“ CPF ”	:	Central Provident Fund
“ Directors ”	:	The directors of the Company
“ Group ”	:	The Company together with its subsidiaries, and “ Group Company ” shall mean any of them
“ SGX-ST Exchange ” or “ the Exchange ”	:	Singapore Exchange Securities Trading Limited
“ Shareholders ”	:	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“ Sponsor ”	:	Evolve Capital Advisory Private Limited
“ Substantial Shareholder ”	:	A person who has an interest in one or more voting Shares (excluding treasury 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 (excluding treasury shares) in the Company

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**treasury shares**”, “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 4, 5 and 6 of the Companies Act.

The term “**associate**” shall have the meaning ascribed to it in the Catalist Rules.

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 and *vice versa*.

References to persons shall include corporations.

References to “**Section**” are to the sections of this Circular, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or Chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any reference in this Circular 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, the Catalist Rules, the SFA, the Take-over Code or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, the Catalist Rules, the SFA, the Take-over Code or any relevant laws of the Republic of Singapore or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

DEFINITIONS

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding; accordingly, the figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

AJJ MEDTECH HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198403368H)

Directors:

Dr Zhang Jian (*Chairman and Executive Director*)
Ms Zhao Xin (*Chief Executive Officer and Executive Director*)
Mr Chong Eng Wee (*Independent Non-Executive Director*)
Dr Toh Lim Kai (*Independent Non-Executive Director*)
Mr Tan Lye Heng Paul (*Independent Non-Executive Director*)

Registered Office:

8 Commonwealth Lane
#02-04 Grande Building
Singapore 149555

12 April 2024

To: Shareholders of AJJ Medtech Holdings Limited

Dear Shareholders,

(1) THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

(2) THE PROPOSED DIVERSIFICATION

1. INTRODUCTION

1.1 Purpose of Circular

The purpose of this Circular is to provide the Shareholders with information relating to and to seek the approval of Shareholders at the EGM by way of separate resolutions for the following proposals (the “**Proposals**”) as set out in this Circular:

- (a) the proposed adoption of the Share Buyback Mandate; and
- (b) the Proposed Diversification.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

1.2 Legal Adviser

Chevalier Law LLC has been appointed as legal adviser to the Company as to Singapore law in relation to the Proposals and for purposes of this Circular. No other legal advisors were previously engaged by the Company in relation to this Circular.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1 Background

Under the Companies Act, companies are allowed to purchase or otherwise acquire their own shares if their constitution expressly permits them to do so, provided that any such purchase or acquisition is made in accordance with and in the manner prescribed by their constitution, the Companies Act, and such other laws and regulations as may, for the time being, be applicable. Regulation 9 of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares. As the Company is listed on Catalist, apart from the Companies Act, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares.

2.2 Shareholders’ Approval

It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares must obtain the approval of its shareholders at a general meeting. Accordingly, approval is being sought from the

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Shareholders for the adoption of the Share Buyback Mandate at the upcoming EGM. If approved at the EGM, the Share Buyback Mandate will take effect from the date of the EGM and continue in force until the date on which the next annual general meeting of the Company is held or required to be held, or otherwise as set out in [Section 2.4.2](#) below.

The proposed renewal of the Share Buyback Mandate may be tabled at each subsequent annual general meeting of the Company for Shareholders' approval, at the discretion of the Directors.

2.3 Rationale for the Share Buyback Mandate

The rationale for the Company to undertake the adoption of the Share Buyback Mandate as well as Share Buybacks pursuant to the mandate is as follows:

- (a) in managing the business of the Group, the management strives to increase Shareholders' value by improving, amongst others, the return on equity of the Group. The purchase by the Company of its issued Shares at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. The Share Buyback Mandate will give the Company the flexibility to undertake Share Buybacks at any time subject to market conditions during the period that the Share Buyback Mandate is in force;
- (b) the Share Buybacks will allow the Company to mitigate short-term market volatility in the price of its Shares, offset the effects of short-term price speculation, and bolster Shareholders' confidence. For illustration purposes, the Company may undertake Share Buybacks, upon the determination by the Directors that the price per Share at such time is undervalued, taking into consideration, among others, the future earnings and net asset value per Share of the Company;
- (c) to the extent that the Company has capital and surplus funds which are in excess of its financial and investment needs, taking into account the Group's growth and expansion plans, a Share Buyback in such circumstance will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner and allow the Company greater flexibility to manage its capital and maximise returns to its Shareholders. This approach is particularly crucial in periods of economic uncertainty, ensuring the Company remains agile and well-positioned for future growth; and
- (d) Shares purchased by the Company under the Share Buyback Mandate may be held by the Company as treasury shares to satisfy the Company's obligations to furnish Shares to participants pursuant to share-based incentive schemes which the Company may implement from time to time, thus giving the Company greater flexibility to select the method of providing Shares to employees and eligible participants that is most beneficial to the Company and its Shareholders. This strategy not only enhances the alignment of interests between the Company's employees, management, and its Shareholders but also reinforces the foundation for sustainable growth and value creation.
- (e) Notwithstanding the current challenges faced by the Group, the Company is committed to optimising its capital structure through every viable strategy. The proposed adoption of the Share Buyback Mandate is an efficient way for the Company to utilise limited resources while creating greater value for Shareholders. With a Share Buyback Mandate in place, this will give the Company the opportunity to undertake Share Buybacks via Market Purchases and send a clear signal that its management believes

LETTER TO SHAREHOLDERS

that the Company's share price is below its actual value. We expect this action to enhance investors' recognition of the Company's value, which may in turn improve the share price in the medium to long term. This plan also reflects our prudent management and confidence in the growth prospects of our Group.

Shareholders should note that Share Buybacks pursuant to the Share Buyback Mandate will only be undertaken as and when the Directors are of the view that such Share Buybacks are of benefit to the Company and/or its Shareholders. No Share Buyback will be undertaken if the Directors believe it will bring about a material adverse effect on the financial position of the Company or the Group, or if it will result in the Company being delisted from the SGX-ST.

2.4 Terms of the Share Buyback Mandate

The authority and limitations placed on Share Buybacks by the Company under the Share Buyback Mandate, if approved at the upcoming EGM, are summarised below:

2.4.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. In accordance with Rule 867 of the Catalist Rules, the total number of Shares that may be purchased or acquired is limited to the number of Shares representing not more than 10% of the issued share capital of the Company ascertained as at the date of the EGM on which the resolution authorising the proposed adoption of the Share Buyback Mandate is passed, unless the Company has effected a reduction of its share capital in accordance with the Companies Act at any time during the Relevant Period (as defined in Section 2.4.2 below), in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered (the "**Maximum Limit**"). For purposes of calculating the Maximum Limit, any of the Shares which are held as treasury shares or subsidiary holdings will be disregarded. As at the Latest Practicable Date, the Company has no treasury shares and subsidiary holdings.

For illustrative purposes only, based on the issued and paid-up share capital of the Company of 1,377,053,644 Shares as at the Latest Practicable Date, and assuming that the Company has no treasury shares and subsidiary holdings and no further Shares are issued on or prior to the EGM, the maximum number of Shares which may be purchased or acquired by the Company pursuant to the Maximum Limit under the Share Buyback Mandate is 137,705,364 Shares.

While the Share Buyback Mandate would authorise a Share Buyback up to the Maximum Limit, Shareholders should note that Share Buybacks may not be undertaken up to the Maximum Limit as authorised. In particular, the Directors will not undertake any Share Buybacks under circumstances where doing so would have an adverse effect on the free float, liquidity, orderly trading of the Shares and/or financial position of the Company and/or the Group.

2.4.2 Duration of Authority

Share Buybacks may be made, at any time and from time to time, commencing on and from the date of the general meeting on which the resolution for the proposed adoption of the Share Buyback Mandate is passed (being the date of the EGM or if the EGM is adjourned, the date of such adjourned meeting) and expiring on the earliest of:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;

LETTER TO SHAREHOLDERS

- (b) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders at an annual general meeting or other general meeting of the Company; or
- (c) the date on which Share Buybacks have been undertaken to the fullest extent as authorised under the Share Buyback Mandate,

(the “**Relevant Period**”).

The Share Buyback Mandate may be renewed by Shareholders at each annual general meeting or other general meeting of the Company.

2.4.3 Manner of Share Buybacks

If and when circumstances permit, the Directors may decide to effect a Share Buyback by way of either:

- (a) on-market purchases transacted through the Exchange’s trading system or on any other stock exchange on which the Shares are listed for the time being, through one or more duly licensed stockbrokers appointed by the Company for such purpose (a “**Market Purchase**”); and/or
- (b) off-market purchases, effected otherwise than on the SGX-ST (and/or, as the case may be, any other stock exchange on which the Shares are listed for the time being), pursuant to an equal access scheme as may be determined for Share Buybacks from Shareholders (an “**Off-Market Purchase**”).

In an Off-Market Purchase, the Directors for the time being may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Catalist Rules, the Companies Act and the Constitution, as they consider fit in the interests of the Company, in connection with or in relation to such equal access scheme(s). In particular, under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) offers for the Share Buybacks must be made to every person who holds issued Shares to purchase or acquire the same percentage of their Shares on a *pro-rata* basis;
- (b) each of those persons set out in sub-paragraph (a) must be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of the offers must be the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information in respect of each Off-Market Purchase:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptance of the offer;
- (c) the reasons for the proposed Share Buyback;

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- (d) the consequences, if any, of the Share Buyback by the Company arising under the Take-over Code or other applicable takeover rules;
- (e) whether the Share Buyback, if effected, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share Buyback (whether Market Purchases or Off-Market Purchases) made by the Company in the previous 12 months, setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.4.4 Maximum Purchase Price

The purchase price of the Shares (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses of the Share Buyback) under a Share Buyback will be determined by the Directors, but in any case cannot exceed, in respect of each Share:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined below) of the Shares,

(in either case, the “**Maximum Price**”).

For the above purposes of determining the Maximum Price:

- (a) “**Average Closing Price**” means the average of the closing market prices of the Shares over the last 5 Market Days on which transactions in the Shares on the SGX-ST (or, as the case may be, any other stock exchange on which the Shares are listed for the time being) were recorded, immediately preceding (i) (in the case of a Market Purchase) the day of the Market Purchase by the Company, or (ii) (in the case of an Off-Market Purchase) the day of the making of the offer pursuant to the Off-Market Purchase, and in each case, deemed to be adjusted for any corporate action that occurs during such 5-Market Day period and the day on which such purchases are made (or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase); and
- (b) “**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.5 **Status of Purchased Shares under the Share Buyback Mandate**

At the time of each Share Buyback, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time, the Company may decide whether the Shares purchased will be: (a) cancelled; (b) held as treasury shares in accordance with the Companies Act; or (c) partly cancelled and partly kept as treasury shares.

A Share purchased or acquired by the Company under the Share Buyback Mandate shall be deemed cancelled immediately on purchase or acquisition (and all rights and privileges

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attached to the Share will expire on such cancellation), unless such Share is held by the Company as a treasury share in accordance with the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company under the Share Buyback Mandate, which are not held as treasury shares, and deemed cancelled. All such cancelled Shares will also be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such Share Buyback.

2.6 Purchased Shares may be held as Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.6.1 Maximum Holdings

The aggregate number of shares held by the Company as treasury shares following Share Buybacks cannot at any time exceed 10% of the total number of issued shares at that time.

2.6.2 Voting and Other Rights

Pursuant to the Companies Act, the Company cannot exercise any right in respect of treasury shares and any purported exercise of such right is void. In particular, the Company cannot exercise any right to attend or vote at general meetings and for the purposes of the Companies Act, the Company is to be treated as having no right to vote and the treasury shares are to be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made to the Company in respect of treasury shares.

However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. In addition, the subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury shares before the subdivision or consolidation, as the case may be.

2.6.3 Disposal and Cancellation

Where any Shares purchased or acquired under Share Buybacks are held by the Company as treasury shares, the Company may at any time:

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for its employees, Directors, or other persons;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be allowed under the Companies Act.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include

LETTER TO SHAREHOLDERS

the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares in a class that is listed before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled. The Company will make the foregoing announcements required under the Catalist Rules in respect of any sale, transfer, cancellation and/or use of the treasury shares as and when appropriate.

2.7 Source of Funds for Share Buyback

For the purposes of Share Buybacks, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase or acquire Shares for a consideration to be satisfied in any manner other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules. Payment of consideration in respect of Share Buybacks by the Company may be made out of the Company's profits or capital so long as the Company is solvent. The Company may use internal sources of funds, external borrowings, or a combination of both of the aforesaid, to finance the Share Buybacks pursuant to the Share Buyback Mandate.

2.8 Financial Effects of the Share Buybacks

2.8.1 Bases and Assumptions

It is not possible for the Company to realistically calculate or quantify the impact or financial effects of any potential Share Buyback(s) as such effects would depend on factors such as, among others, the aggregate number of Shares purchased or acquired under the Share Buyback Mandate, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the Share Buybacks(s), whether the purchase or acquisition is made out of profits and/or capital, and whether the Shares so purchased or acquired are held in treasury or cancelled.

Where the consideration paid by the Company for a Share Buyback is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for a Share Buyback is made out of capital, such consideration will correspondingly reduce the share capital of the Company, but the amount available for the distribution of cash dividends by the Company will not be reduced. Where a Share Buyback is made out of both profits and capital of the Company, this will reduce the amount of its share capital and profits proportionately.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected. Share Buybacks will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view to, among others, enhance the EPS and/or NTA value per Share of the Group.

Shareholders should note that the Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position or the financial position of the Group would be materially and adversely affected. Share Buybacks will only be effected after considering relevant factors such

LETTER TO SHAREHOLDERS

as, among others, the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view to, among others, enhance the earnings per Share and/or NTA value per Share of the Group.

For illustrative purposes only, the financial effects of Share Buyback Mandate based on the audited consolidated financial statements of the Group and the Company for FY2023 are based on the following assumptions:

- (a) that the Share Buyback Mandate had been effective as at the Latest Practicable Date;
- (b) based on the issued and paid-up share capital of the Company comprising 1,377,053,644 Shares as at the Latest Practicable Date, and assuming that on or prior to the EGM, (i) no further Shares are issued, (ii) no Shares are held by the Company as treasury shares, and (iii) no Shares are subsidiary holdings, not more than 137,705,364 Shares (representing 10% of the total number of Shares (excluding treasury shares and subsidiary holdings)) may be purchased by the Company pursuant to the Share Buyback Mandate;
- (c) in the case of Market Purchases by the Company and assuming that the Company purchases the 137,705,364 Shares at the Maximum Price of S\$0.00483 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the amount of funds required for the purchase of the 137,705,364 Shares (excluding related expenses) is approximately S\$665,117.00;
- (d) in the case of Off-Market Purchases by the Company and assuming that the Company purchases the 137,705,364 Shares at the Maximum Price of S\$0.00552 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the amount of funds required for the purchase of the 137,705,364 Shares (excluding related expenses) is approximately S\$760,134.00; and
- (e) the consideration paid by the Company for the Share Buybacks is made out of capital only (and not profits) given that the Group is loss-making for FY2023.

For illustrative purposes only and on the basis of the assumptions set out above and further assuming the following:

- (a) the purchase of the 137,705,364 Shares is funded by internal funds and borrowings of the Group; and
- (b) the transaction costs incurred in relation to the Share Buybacks pursuant to the Share Buyback Mandate are assumed to be insignificant and disregarded for the purpose of computing the financial effects,

the financial effects of the purchase of the 137,705,364 Shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial results of the Group and the Company for FY2023 for the following scenarios are set out in Section 2.8.2 (in respect of Scenario A as defined in sub-paragraph (c) below) and Section 2.8.3 (in respect of Scenario B as defined in sub-paragraph (d) below):

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- (c) the acquisition of the 137,705,364 Shares pursuant to the Share Buyback Mandate by way of a Market Purchase or Off-Market Purchase made entirely out of capital, such Shares being thereafter cancelled (“**Scenario A**”); and
- (d) the acquisition of the 137,705,364 Shares pursuant to the Share Buyback Mandate by way of a Market Purchase or Off-Market Purchase made entirely out of capital, such Shares being thereafter held by the Company as treasury shares (“**Scenario B**”).

Shareholders should note that the financial effects illustrated below are for illustration purposes only and based on the bases and assumptions set out above. It is important to note that the financial analyses set out below are based on the audited consolidated financial statements of the Group and the Company for FY2023 and are not necessarily representative of the future financial performance of the Company and/or the Group. While the Share Buyback Mandate would authorise Share Buybacks up to the Maximum Limit, Shareholders should note that Share Buybacks may not be undertaken up to the Maximum Limit as authorised. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

2.8.2 Scenario A

Market Purchase or Off-Market Purchase made entirely out of capital, such Shares being thereafter cancelled

As at 31 December 2023	Group			Company		
	Before Share Buyback	After Share Buyback		Before Share Buyback	After Share Buyback	
		Market Purchase	Off-Market Purchase		Market Purchase	Off- Market Purchase
(S\$'000)						
Profit/ (Loss) Attributable to Owners of the Company	(2,527)	(2,527)	(2,527)	(472)	(472)	(472)
Share Capital	42,745	42,080	41,985	42,745	42,080	41,985
Reserve	1	1	1	-	-	-
Retained Earnings / (Accumulated Losses)	(44,079)	(44,079)	(44,079)	(41,975)	(41,975)	(41,975)
Total Equity	(1,216)	(1,881)	(1,976)	770	105	10
NTA ⁽¹⁾	(1,398)	(2,063)	(2,158)	770	105	10
Current Assets	2,241	1,576	1,481	708	43	(52)
Current Liabilities	3,425	3,425	3,425	2,676	2,676	2,676
Working Capital	(1,184)	(1,849)	(1,944)	(1,968)	(2,633)	(2,728)
Total Borrowings	1,917	1,917	1,917	1,517	1,517	1,517
Cash and Cash Equivalents	409	(256)	(351)	133	(532)	(627)
Number of Treasury Shares	-	-	-	-	-	-

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As at 31 December 2023	Group			Company		
	Before Share Buyback	After Share Buyback		Before Share Buyback	After Share Buyback	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
Number of Issued Shares (Excluding Treasury Shares)	1,377,053,644	1,239,348,280	1,239,348,280	1,377,053,644	1,239,348,280	1,239,348,280
Weighted Average Number of Shares	933,802,074	796,096,710	796,096,710	933,802,074	796,096,710	796,096,710
Financial Ratios						
NTA per Share (cents) ⁽²⁾	(0.10)	(0.17)	(0.17)	0.06	0.01	-
Gearing Ratio (times) ⁽³⁾	(1.58)	(1.02)	(0.97)	1.97	14.45	151.70
Current Ratio (times) ⁽⁴⁾	0.65	0.46	0.43	0.26	0.02	(0.02)
Basic LPS (cents) ⁽⁵⁾	(0.27)	(0.32)	(0.32)	(0.05)	(0.06)	(0.06)

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests.
- (2) NTA per Share equals NTA divided by the number of Shares (excluding treasury shares).
- (3) Gearing ratio equals total debt divided by total equity.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Basic LPS equals loss attributable to owners of the Company divided by the weighted average number of Shares (excluding treasury shares).

2.8.3 Scenario B

Market Purchase or Off-Market Purchase made entirely out of capital, such Shares being thereafter held as treasury shares

As at 31 December 2023	Group			Company		
	Before Share Buyback	After Share Buyback		Before Share Buyback	After Share Buyback	
		After Market Purchase	After Off Market Purchase		After Market Purchase	After Off Market Purchase
(\$'000)						
Profit/ (Loss) Attributable to Owners of the Company	(2,527)	(2,527)	(2,527)	(472)	(472)	(472)
Share Capital	42,745	42,745	42,745	42,745	42,745	42,745
Reserve	1	1	1	-	-	-
Treasury Shares	-	(665)	(760)	-	(665)	(760)

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As at 31 December 2023	Group			Company		
	Before Share Buyback	After Share Buyback		Before Share Buyback	After Share Buyback	
		After Market Purchase	After Off Market Purchase		After Market Purchase	After Off Market Purchase
Retained Earnings / (Accumulated Losses)	(44,079)	(44,079)	(44,079)	(41,975)	(41,975)	(41,975)
Total Equity	(1,216)	(1,881)	(1,976)	770	105	10
NTA ⁽¹⁾	(1,398)	(2,121)	(2,224)	770	47	(56)
Current Assets	2,241	1,576	1,481	708	43	(52)
Current Liabilities	3,425	3,425	3,425	2,676	2,676	2,676
Working Capital	(1,184)	(1,849)	(1,944)	(1,968)	(2,633)	(2,728)
Total Borrowings	1,917	1,917	1,917	1,517	1,517	1,517
Cash and Cash Equivalents	409	(256)	(351)	133	(532)	(627)
Number of Treasury Shares	-	137,705,364	137,705,364	-	137,705,364	137,705,364
Number of Issued Shares (Excluding Treasury Shares)	1,377,053,644	1,239,348,280	1,239,348,280	1,377,053,644	1,239,348,280	1,239,348,280
Weighted Average Number of Shares	933,802,074	796,096,710	796,096,710	933,802,074	796,096,710	796,096,710
Financial Ratios						
NTA per Share (cents) ⁽²⁾	(0.10)	(0.17)	(0.18)	0.06	0.004	(0.005)
Gearing Ratio (times) ⁽³⁾	(1.58)	(1.02)	(0.97)	1.97	14.45	151.70
Current Ratio (times) ⁽⁴⁾	0.65	0.46	0.43	0.26	0.02	(0.02)
Basic LPS (cents) ⁽⁵⁾	(0.27)	(0.32)	(0.32)	(0.05)	(0.06)	(0.06)

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests.
- (2) NTA per Share equals NTA divided by the number of Shares (excluding treasury shares).
- (3) Gearing ratio equals total debt divided by total equity.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Basic LPS equals loss attributable to owners of the Company divided by the weighted average number of Shares (excluding treasury shares).

2.9 Tax Implications

Shareholders who are in doubt as to their respective tax positions in respect of, or the tax implications of, a Share Buyback by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

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2.10 Other Applicable Catalyst Rules and Regulations

2.10.1 Reporting Requirements

The Catalyst Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which it purchased or acquired any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement must be in the form of Appendix 8D (Daily Share Buy-back Notice) of the Catalyst Rules. The Company will make the above announcements pursuant to the Catalyst Rules as and when appropriate.

In addition, within 30 days of the passing of the Shareholders' ordinary resolution to approve proposed adoption of the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Company shall also notify ACRA, using the prescribed form, within 30 days after a Share Buyback. Such notification shall include details of the Share Buyback, such as the date of the Share Buyback, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the Share Buyback, the amount of consideration paid by the Company for the Share Buyback, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other particulars as may be required by ACRA in the prescribed form.

2.10.2 Restrictions on Share Buybacks

While the Catalyst Rules do not expressly prohibit any purchase of shares by a listed company during any particular time, on the basis that the listed company would be regarded as an "insider" in relation to any proposed purchase of its issued shares, the Company will not undertake any Share Buyback at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

In particular, in conformity with the best practices on dealing in securities under the Catalyst Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the Exchange or otherwise), or one month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements).

2.10.3 Free Float

As required under Rule 723 of the Catalyst Rules, the Company will ensure that any Shares purchased or acquired by the Company under the Share Buyback Mandate will not result in a fall in the percentage of Shares held by the public (as defined in the Catalyst Rules) to below 10% of the total number of issued Shares (excluding preference shares, convertible equity securities and treasury shares). The Catalyst Rules define the "public" as persons other than the directors, chief executive officer, substantial shareholders, or controlling shareholders of the issuer or its subsidiary companies, as well as the associates of such persons.

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As at the Latest Practicable Date, 992,235,359 Shares, representing approximately 72.05% of the total number of issued Shares, are held by the public. In the event that the Company purchases or acquires 137,705,364 Shares (being the Maximum Limit), about 854,529,995 Shares representing approximately 62.05% of the total number of issued Shares would continue to be held by the public.

Accordingly, the Directors are of the view that, as at the Latest Practicable Date, there is a sufficient number of Shares held in the hands of the public which would permit the Company to undertake Share Buybacks up to the Maximum Limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST. Nonetheless, the Directors will at all times ensure that when undertaking any Share Buyback, at least 10% of the Shares will remain in the hands of the public in accordance with the Catalist Rules and that such purchases will not (a) affect the listing status of the Company, (b) cause market illiquidity, or (c) adversely affect the orderly trading of the Shares.

2.11 Take-over Obligations

2.11.1 Obligation to make a Take-over Offer

Pursuant to the Take-over Code, when the Company undertakes a Share Buyback, any resulting increase in the percentage of voting rights held by a Shareholder (and persons acting in concert with such Shareholder) will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, depending on the number of Shares purchased or acquired by the Company and the number of Shares in issue at that time, a Shareholder or group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

Rule 14.1 of the Take-over Code requires, among others, that, except with the consent of the Securities Industry Council, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of a company and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1% of the voting rights,

such person shall extend immediately an offer to the holders of any class of shares in the capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, also incur the obligation to extend such an offer under the Take-over Code.

2.11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, amongst others, be presumed to be acting in concert with each other:

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- (a) a company with any of its directors (together with their close relatives, related trusts, as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons for the purchase of voting rights.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code as a result of a Share Buyback are set out in Appendix 2 of the Take-over Code.

2.11.3 Effect of Rule 14 and Appendix 2 of Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Shares in the Company under Rule 14 of the Take-over Code if, as a result of the Share Buyback:

- (a) the voting rights of such Directors and persons acting in concert with them increase to 30% or more; or
- (b) if the voting rights of such Directors and persons acting in concert with them fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and persons acting in concert with them increase by more than 1% in any period of 6 months,

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and in each case in calculating the percentages of voting rights, treasury shares shall be excluded.

However, under Appendix 2 of the Take-over Code, a Shareholder will not be required to make an offer under Rule 14 of the Take-over Code if:

- (a) such Shareholder is not acting in concert with the Directors; and
- (b) as a result of the Share Buyback, (i) the voting rights of such Shareholder increase to 30% or more, or (ii) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder increase by more than 1% in any period of 6 months.

Such Shareholder is not required to abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Shareholders should note that they will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after any Share Buyback. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Buyback will be taken into account in determining whether a Shareholder and persons acting in concert with such Shareholder have increased their voting rights by more than 1% in any period of 6 months.

If the Company decides to cease a Share Buyback before it has purchased such number of Shares as authorised under the proposed Share Buyback Mandate, the Company will promptly inform Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation to make an offer under Rule 14 of the Take-over Code.

Notwithstanding the above, Shareholders are reminded that those who are in doubt as to their obligations, if any, to make a mandatory offer under the Take-over Code as a result of any Share Buybacks should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

2.11.4 Application of the Take-over Code

Dr Zhang Jian is the Chairman and Executive Director of the Company and a controlling shareholder of the Company. For purposes of the Take-over Code, Dr Zhang Jian and his daughter, Ms Zhang Yulei, who is a Substantial Shareholder, are deemed to be parties acting in concert with each other. As at the Latest Practicable Date, Dr Zhang Jian and Ms Zhang Yulei hold an aggregate direct interest in 371,045,285 Shares which represent approximately 26.94% of the total voting rights in the Company.

For illustrative purposes only, assuming that:

- (a) there is no change in the number of Shares held by Dr Zhang Jian and Ms Zhang Yulei (or which they are deemed interested in); and
- (b) no new Shares are issued by the Company between the Latest Practicable Date and the date of the resolution to be passed relating to the adoption of the Share Buyback Mandate (being the date of the EGM),

in the event that the Company purchases or acquires 137,705,364 Shares (being the Maximum Limit) pursuant to the Share Buyback Mandate, the aggregate voting rights held by Dr Zhang Jian and Ms Zhang Yulei will only increase from 26.94% to 29.94%.

Accordingly, based on the foregoing, Dr Zhang Jian and Ms Zhang Yulei will not become obliged to make a take-over offer for the Company pursuant to Rule 14 of the Take-over Code

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even if the Company purchases or acquires the maximum number of 137,705,364 Shares authorised under the proposed Share Buyback Mandate.

Save as disclosed above and to the best of their knowledge, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under Rule 14 of the Take-over Code would ensue as a result of a Share Buyback by the Company pursuant to the Share Buyback Mandate.

Based on the Register of Members and the Register of Substantial Shareholders as at the Latest Practicable Date, to the best of their knowledge, the Directors are not aware of any Director or Substantial Shareholder (together with persons acting in concert with them) who may become obliged to make a mandatory offer under Rule 14 of the Takeover Code in the event that the Company purchases or acquires the maximum number of 137,705,364 Shares under the proposed Share Buyback Mandate.

Notwithstanding the above, Shareholders should note that the statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity before they acquire any Shares in the Company during the period when the Share Buyback Mandate is in force.

2.12 Details of Share Buybacks in the Previous 12 Months

No Share Buybacks have been made by the Company in the 12 months preceding the Latest Practicable Date.

3. THE PROPOSED DIVERSIFICATION

3.1 Introduction

In June 2023, the Group successfully completed the disposal of its subsidiary, Discovery Kidz Preschool Pte. Ltd., which operates in the childcare wellness education business (the “**DKP Disposal**”). Following the DKP Disposal, the Group’s existing business primarily comprises the sale and distribution of high-tech medical devices and services (the “**Healthcare Device Business**”), which is at present undertaken by the Group’s subsidiaries, AJJ Healthcare Management Pte. Ltd. and Quest Asia Technologies Pte. Ltd., both of which are incorporated in Singapore. The products and services offered by the Group under the existing Healthcare Device Business may be categorised into four broad categories: (1) ultrasound medical devices and solutions; (2) in-vitro diagnostics; (3) medical devices; and (4) dental equipment, instruments and consumables.

The Group now intends to diversify into the following business:

- (a) the development and distribution of:
 - (i) devices and equipment for use in the healthcare and medical industries (collectively, the “**Medical Hardware**”) that are primarily driven by, or enhanced or integrated with, digital tools, artificial intelligence (AI), and robotics and other medical technologies; and

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- (ii) systems, solutions and applications (in software form or otherwise) that are based on or driven by digital tools, AI, and robotics and other medical technologies that may be used in the healthcare and medical industries;
- (b) the acquisition and holding of investments in businesses that:
 - (i) engage in any of the business activities described in sub-paragraph (a) above;
 - (ii) provide, develop (or contribute to the development of) or with capabilities in digital, AI, and robotics technologies and solutions with applications in the healthcare and medical industries, or any other technology which otherwise complements, benefits or relates to, the healthcare and medical industries (including but not limited to businesses or entities that focus on the research and development of medical technologies); and
- (c) the provision of other related and ancillary services or activities in connection or which complements with the foregoing business and activities in sub-paragraph (a) and/or (b), and for this purpose, such related or ancillary services or activities shall include (but are not necessarily limited to):
 - (i) providing services and solutions to facilitate the installation, testing, operation, maintenance, management and hardware and software updates and upgrades of the Medical Hardware and other technical and general support services including managing (and/or facilitating the management or setup of) online and/or physical servers for the Medical Hardware (hosted through online platforms and/or physical spaces provided by third party service providers or otherwise); and
 - (ii) the licensing of any know-how, method, solution or product developed (and owned) by the Group that may arise from the activities undertaken in sub-paragraph (a) and/or (b) above,

(collectively, the “**Medtech Business**”).

It is presently expected that the Medtech Business will focus on the the healthcare and medical industries with the objective of offering a range of services and products that are primarily driven by digital tools, AI, and robotics and other medical technologies that can be applied or used during the different stages of patient care, whether at the initial diagnosis stage, treatment planning and implementation, or ongoing long-term management. To undertake the Medtech Business, we may, among others and whether via our existing subsidiaries or otherwise, enter into agreements to acquire companies with existing capabilities within the medical technology (“**medtech**”) space and/or enter into joint venture arrangements or other collaboration efforts with companies or persons with requisite resources, capabilities and expertise.

Shareholders should however note that if any know-how, method, solution or product under or relating to the Medtech Business is capable of being adapted or modified in any manner to benefit or be utilised in any industry other than the healthcare and medical industries, subject to the Group holding the relevant rights, the Group may enter into licensing arrangements with prospective licensees, and such licensing arrangements shall constitute part of (or incidental to) the Medtech Business. Shareholders should also note that while the Medtech Business will initially focus on the Singapore market and other markets within South East Asia, depending on the strategic options and business opportunities that may arise from time to time in the future, the Group does not plan to restrict the Medtech Business to any specific geographic market as each investment will be evaluated and assessed by the Board on its merits.

3.2 Shareholders' Approval

The proposed diversification into the Medtech Business will not be the Group's first foray into the healthcare space given the Group's existing Healthcare Device Business. However, as compared to the existing Healthcare Device Business wherein the Group is primarily involved in the supply and distribution of relevant device, equipment and hardware for the medical and healthcare industry, we are expanding our products and solutions portfolio to also include digital, AI and robotics solutions under the Medtech Business. On this basis, the diversification into the Medtech Business may give rise to a change in the risk profile of the Group and accordingly, the Company is seeking Shareholders' approval for the Proposed Diversification at the EGM to be convened. Shareholders should refer to Sections 3.4, 3.5 and 3.6 for more information on the risks associated with the Medtech Business.

Once Shareholders' approval in respect of the Proposed Diversification is obtained, the Group may, in the ordinary course of business, enter into transactions relating to the Medtech Business without having to seek Shareholders' approval. This will substantially reduce the administrative time and expenses in convening meetings to obtain Shareholders' approval, allowing the Group greater flexibility to pursue business and investment opportunities which may be time-sensitive in nature.

For the avoidance of doubt, even if Shareholders' approval is obtained for the Proposed Diversification:

- (a) (in respect of an acquisition of assets, whether or not such acquisition is deemed in the Company's ordinary course of business) for transactions where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules is 100% or more or is one which will result in a change in control of the Company, Rule 1015 of the Catalist Rules will still apply and such transaction must be, among others, made conditional upon approval by Shareholders in general meeting;
- (b) for transactions which constitute "interested person transactions" as defined under the Catalist Rules, Chapter 9 of the Catalist Rules will apply, and the Company must comply with the provisions of Chapter 9 of the Catalist Rules (including where required, obtaining Shareholders' approval in a general meeting to be convened in respect of such transaction); and
- (c) in assessing if an acquisition is to be regarded to be in, or in connection with, the ordinary course of business of the Group, the Company will be required to have regard to Practice Note 10A (Acquisitions and Realisations) of the Catalist Rules.

In addition, notwithstanding the classification of a transaction, the Exchange may, in appropriate circumstances, exercise its powers to impose additional requirements on the transaction, including to require that the transaction be made conditional upon the approval of shareholders or the Exchange.

Should requisite approval from Shareholders be obtained for the Proposed Diversification, the Group's business will comprise three primary segments: (1) the Healthcare Device Business; (2) the Medtech Business; and (3) the early childhood emotional wellbeing education business (albeit, as at the Latest Practicable Date, activities carried out by the Group under this business segment is limited). For the avoidance of doubt, the DKP Disposal was undertaken as part of the Group's effort to re-strategise and re-allocate its financial and capital resources. Notwithstanding the DKP Disposal, the Group remains committed to the aforesaid business segment and is expected to continue to engage in this business segment, whether via acquiring new targets in that business segment or otherwise, as and when the opportunity arises.

3.3 Rationale for the Proposed Diversification

The Group is proposing to diversify into the Medtech Business as, in line with our objective and corporate strategy of building a pan-asian high-tech healthcare company, the Proposed Diversification is the next strategic step in the Group's business plans and forward-looking growth strategy following the successful DKP Disposal (which allowed the Group to allocate more resources into the healthcare segment) and the Group's acquisition of Quest Asia Technologies Pte. Ltd. (which expanded the portfolio of medical devices and products offered by the Group in the Healthcare Device Business). In this regard, the Proposed Diversification is envisaged to be in the interests of the Group and the Shareholders for the reasons set out below:

(a) Technological Convergence

With the advent of technology in the current modern landscape, the convergence of technology and healthcare is expected to be the new norm. In particular, innovations in AI, digital, and robotics may become increasingly crucial to advancing healthcare outcomes. Diversifying into the Medtech Business is expected to allow the Group to remain at the forefront of this convergence, offering integrated solutions that transcend traditional healthcare boundaries.

(b) Market Demand and Growth Opportunities

The demand for technological solutions in various sectors, including but not limited to healthcare, is expanding rapidly. If Shareholders' approval is obtained for the Proposed Diversification, this is expected to allow the Group to take advantage of new growth opportunities within the health and medical industries that are increasingly reliant on digital transformation, AI, and robotics for efficiency, sustainability, and enhanced customer experience in the healthcare and medical industries.

(c) Innovation and Competitive Advantage

The Proposed Diversification is expected to foster and encourage innovation within the Group, allowing the Group to develop new products, services and solutions that can potentially redefine market standards in the healthcare and medical industries and/or address the needs of existing and new customers in a constantly evolving landscape. Should the Group be able to successfully integrate digital tools and AI and robotics technologies and solutions into the Group's offerings of products, services and solutions, this is expected to give the Group a competitive advantage over other suppliers and service providers in the market, differentiating ourselves in both the healthcare and medical market and potentially other related markets which may benefit from such technology.

(d) Risk Mitigation

The Proposed Diversification is a strategic move to mitigate risks associated with market volatility and sector-specific downturns that may be related to or may affect the offerings in the existing Healthcare Device Business. By diversifying into the Medtech Business, the Group is expected to expand the range of products, services and solutions that it may offer which in turn creates potential additional revenue streams for the Group and reduce its dependency on only a limited selection of product offerings.

(e) Leveraging Synergies

The Group's experience in the healthcare industry through its existing Healthcare Device Business provides a solid foundation for expansion into the Medtech Business. By leveraging on the insights, knowledge and expertise gained from the healthcare and medical industries so

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far, the Group will be able to identify potential demands and gaps in the healthcare and medical industries which in turn is expected to inform the development of technology solutions that are applicable and relevant to the healthcare and medical industries and potentially other industries seeking innovation and efficiency.

(f) Addressing Global Challenges

The integration of technology in healthcare, especially AI and robotics, is expected to be increasingly crucial for addressing global challenges such as ageing populations, environmental sustainability, and resource scarcity. By undertaking the Proposed Diversification, the Group is expected to be able to contribute in some manner in solving pressing global issues, aligning our business objectives with broader societal goals.

(g) Embracing Technological Imperative

The rapid pace of technological advancements mandates a proactive approach to business evolution. Our foray into medtech is a strategic decision, reflecting our commitment to adapt and lead in the ever-evolving healthcare landscape. This diversification is not just a growth opportunity but also demonstrates a forward-thinking alignment of our business operations with the technological imperatives of modern healthcare.

3.4 Risk Factors in relation to the Medtech Business

To the best of the Directors' knowledge and belief, as at the Latest Practicable Date, the risk factors that are material for Shareholders to make an informed decision on the Proposed Diversification are set out in this Section 3.4 and Sections 3.5 and 3.6. Shareholders should carefully consider and evaluate the risk factors set out herein and all other information contained in this Circular in light of their own investment objectives and financial circumstances and should seek professional advice from their accountant, stockbroker, bank manager, solicitor or other professional advisers if they have any doubt about the actions they should take.

Any of the risks described below could materially and adversely affect the Group's ability to comply with its obligations, including those under the Catalist Rules, and may have a material adverse effect on the Company's or the Group's business, financial condition, operations and prospects. In that event, the market price of the Shares may decline, and the Shareholders may lose all or part of their investments in the Shares.

The risks and uncertainties described below are not intended to be exhaustive and are not the only risks and uncertainties that the Group may face. The Group could be affected by a number of risks which relate to the industries and countries in which the Group intends to operate as well as those which may generally arise from, among others, economic, business, market and political factors, including the risks set out herein. Additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deem immaterial may also impair the Company's or the Group's business, financial condition, operations and prospects.

The risks discussed below and other disclosures in relation to the Proposed Diversification in this Section 3 may include forward-looking statements. Forward-looking statements include but are not limited to those using words such as "**seek**", "**expect**", "**anticipate**", "**estimate**", "**believe**", "**intend**", "**project**", "**plan**", "**strategy**", "**forecast**" and similar expressions or future or conditional verbs such as "**will**", "**if**", "**would**", "**should**", "**could**", "**may**" and "**might**". However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company's current expectations, beliefs, hopes, intentions or

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strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, the Company's and the Group's actual results may differ substantially from those discussed in these forward-looking statements (if any). Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaims any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency. Sub-headings are for convenience only.

3.4.1 The nature of the Medtech Business is likely to require substantial initial capital expenditure before the Group may be able to become profitable in this business segment

We expect our Medtech Business to inherently involve significant initial investment in research and development, regulatory compliance, manufacturing and market penetration efforts. This will require a substantial amount of capital before the Group can achieve some profitability for this particular business segment. Such initial capital expenditure is considered necessary for the Group to, among others:

- develop or acquire innovative medical technologies whether through licensing arrangements or otherwise;
- obtain necessary registration, certifications and approvals from relevant authorities;
- set up and establish production capabilities and capacities; and
- implement effective marketing strategies to gain market acceptance.

The stage from initial product/process conception to market entry is therefore expected to be lengthy and costly. There is no certainty as to the length of time before we are able to launch our products and solutions in the Medtech Business into the market as this will depend on various factors including the time required to negotiate with third parties on the licensing arrangements for proprietary technologies that may be material to the business, testing and safety evaluations of the new products, process and solutions as well as certifications and regulatory approvals. In this regard, through its existing Healthcare Device Business, the Group has been able to gather useful insights, information and feedback on the needs of the medical and healthcare industries and have formed business connections and relationships with suppliers and other participants in the industry. We therefore expect to be able to leverage on such insights and information and the know-how and knowledge acquired so far (including familiarity with obtaining relevant certifications and approvals) to, among others, properly plan and efficiently implement our business processes.

Notwithstanding the foregoing and even if substantial capital expenditure is secured and invested into developing and distributing these new products, processes and solutions, there is no assurance that the Group will be able to successfully commercialise them or that the revenue generated from them will be sufficient to cover the expenditure and costs incurred.

3.4.2 We may not be able to keep pace with advances in medical technology and our products could become non-competitive or obsolete

The medtech industry, and the healthcare industry in general, is characterised by rapid changes in technology and new product introductions which require sourcing for and investing in new medical equipment and technology. To the extent possible, the Group will strive to stay updated with and keep abreast of innovation and new developments in technology in the medical and

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healthcare space so as to remain relevant in the market. However, with the fast pace of technological advancement and innovation from other market participants, the portfolio of products and solutions that we may offer under our Medtech Business may become non-competitive or even obsolete within a short period of time. Should we have products or solutions that are in the process of development, we may be forced to abandon such projects or substantially change the development of a specific product or solution in which we may have already invested substantial time and resources into.

To ensure that our portfolio of products and solutions do not become obsolete or irrelevant, we will need to upgrade our portfolio of products and solutions and/or launch new products and solutions enhanced with new and improved technology (“**new launches**”). The Group’s ability to do the foregoing may depend, in part, on our ability to quickly develop, acquire, license and/or obtain distribution rights for such new and improved technologies on favourable terms. This will likely require significant capital expenditures and even then, there is no assurance that:

- we will be able to negotiate acceptable licensing arrangements;
- we will be able to recover the financial outlay for implementing such upgrades or develop these new launches; or
- such upgrades or new launches can be completed in time before a newer and more advanced product or solution is introduced in the market.

If the Group is unable to enter into agreements to obtain rights to new or improved technologies (or otherwise develop such new or improved technologies on our own in pace with advancements in the medtech space) on terms acceptable to us (or at all), our portfolio of products and solutions may become outdated when compared with our competitors. This may result in a decrease in demand for our products and services, thereby having a material adverse effect on the Group’s results of operations and financial condition.

3.4.3 The healthcare industry is heavily regulated and diversification into the Medtech Business will likely increase the costs incurred (or to be incurred) by the Group in obtaining the requisite licences and approvals

The healthcare industry is heavily regulated and, presently, we are required to ensure that the products that we distribute and supply under our existing Healthcare Device Business to customers comply with the applicable laws and regulations in the relevant jurisdictions. In particular, in Singapore, the import, supply and distribution of medical devices is subject to certain requirements which include registration of such medical devices with the Health Sciences Authority which may be subject to periodic review and renewal. As it is, obtaining the requisite approvals, registrations and certifications from the relevant authorities is a time-consuming and costly process. With the Medtech Business, we expect that more resources will be required to obtain and maintain such approvals, registrations and certifications which will increase the costs that may be incurred by the Group for its business operations. If there is any modifications, additions or new restrictions to the registration or licensing requirements or compliance standards, we will also likely require additional resources to adhere to the new requirements or compliance standards. If we are unable to comply with the new requirements or compliance standards, we may be subject to a mandatory recall of our products.

Moreover, the regulatory landscape for emerging technologies in the healthcare sector, such as virtual reality applications and AI, is still evolving. Unlike traditional medical devices, these advanced technologies face a less established set of regulations, presenting both challenges and opportunities for innovation. This uncharted regulatory environment underscores the

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pioneering spirit of our Medtech Business initiative, as we navigate through and adapt to these evolving regulatory frameworks.

There is also no assurance that we can obtain or thereafter renew the necessary approvals, registrations and certifications as and when required. In such circumstances, there is a possibility that we will not be able to carry on our business without such approvals, registrations and certifications being granted or renewed or that the delay in obtaining the same may increase the cost or delay the progress of completing orders from our customers which may in turn result in a breach of our supply contracts. Such events occurring in the future may have a material adverse effect on the Group's business, financial condition and results of operations. However, our commitment to navigating these regulatory challenges reflects our dedication to being at the forefront of the medtech industry, embodying our vision of pioneering innovative healthcare solutions.

3.4.4 The operation of the Medtech Business may be highly dependent on information technology which exposes the Group to information technology and cyber security risks

The digital nature of the proposed new Medtech Business inherently requires a high dependency on technology in the administration of AI, machine learning and data science processes. Any damage, malfunction, breakdown or interruption of the information technology systems, software or networks, cyber security threats as well as other network security and stability risks or breaches, either as a one-off event or repeatedly, could result in delays in service delivery or project timelines and consequently may result in reputational damage to the Group or material breach of contracts with suppliers and clients. The Group may also have to incur additional costs and expend resources in repairing such damage, malfunction, breakdown or interruption which will directly impact the Group's profits.

While the Group will make efforts to ensure that sufficient physical and software safeguards are implemented to protect our data and information systems, they are still vulnerable, however, to telecommunications failures, physical or software break-ins, computer viruses storms, flood, fire, terrorist acts, power loss and similar events. There can also be no assurance that physical and software safeguards implemented will be fail-proof. If our critical information systems fail or are otherwise unavailable, we would have to accomplish these functions manually (if at all possible), which could temporarily impact our ability to efficiently carry out our business. In addition, we may depend on third party vendors for certain functions whose future performance and reliability we cannot warranty. Should any of these events occur, our business, results of operations and financial condition may be materially and adversely affected.

Please also refer to the risk factor with the sub-heading "*Improper use, handling or disclosure of data and breach of security may indirectly disrupt our access to and use of such data and this in turn could affect our operations in the Medtech Business*" under Section 3.4.6 for further details on the risks associated with data breaches.

3.4.5 If we are unable to access a large quantity of health data and information, this may impede our ability to develop and offer products and solutions that are competitive in the market

The use of and access to medical and health data and information of patients is central to the use of AI and other digital tools and medical technologies in the delivery and provision of health care. We do not have direct access to such data and information which we will likely have to obtain in anonymised form from relevant healthcare providers and institutions such as hospitals and clinics by entering into data-sharing agreements or any arrangements with them or from other third parties that may have access to and are authorised to share, such anonymised data. There is however no assurance that we will be able to enter into such data-sharing agreements on commercially reasonable terms or at all. If we are unable to access a large quantity of such

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health data and information, this may impede our ability to develop and offer products and solutions that are competitive in the market.

3.4.6 Improper use, handling or disclosure of data and breach of security may indirectly disrupt our access to and use of such data and this in turn could affect our operations in the Medtech Business

The Medtech Business will likely involve, at the very least, access to and use of a large quantity of anonymised health data. At this juncture, we anticipate any collection and compilation of personal health and medical data and information, as well as the anonymisation of such data and information, to be carried out by the relevant hospitals and medical institutions themselves or the relevant authorised third parties, and for the anonymised data to be provided pursuant to data-sharing agreements or any arrangements to be entered into with these hospitals and medical institutions and relevant authorised third parties.

However, as the collection, processing, storage and other aspects of data use and privacy is subject to various regulations in most (if not all) jurisdictions, there are inherent risks and challenges in the processing and handling of any quantity of data that may indirectly affect our operations in the Medtech Business, including but not limited to:

- the use, privacy and sharing of data;
- data security and protection of data against external attacks on the system or fraudulent behaviour or any other misbehaviour by employees;
- where required, the anonymisation of such data in accordance with relevant requirements and any applicable industry standards; and
- compliance with the applicable laws, rules and regulations of the relevant jurisdictions relating to the collection, storage, use, transfer, disclosure and security of personal information.

Where there is a failure to comply with any applicable data privacy and protection laws and regulations in any stage of the collection, handling or processing of such data by any third party, this may indirectly affect our use of and access to any anonymised data that we may rely on, which will in turn disrupt our operations in the Medtech Business.

In any event, should the Group be involved in the handling and processing of data that is subject to applicable data privacy and protection laws and regulations, we will take steps to ensure compliance with these laws. This will however mean spending significant time and resources to ensure full compliance, whether by adopting a rigorous and comprehensive policy for the collection, processing, storage and other aspects of data use and privacy and/or hiring qualified personnel and/or service providers to provide relevant expertise for protection and processing of such data, which could increase our operating cost. Notwithstanding such measures, we cannot guarantee the effectiveness of these measures to prevent, among other things, a data breach. If we fail to comply with applicable data privacy and protection laws and regulations (including any failure to implement sufficient security measures), we may be held liable for breaches of law, and this could significantly harm our reputation and/or result in litigation, regulatory investigations and penalties against us.

In addition, the regulatory and enforcement regime with regard to data security and data protection may continue to evolve and this includes the use of medical information of patients (whether following de-identification or anonymisation of information or otherwise). We expect that data security and protection (including within the healthcare sector) will continue to receive public attention and scrutiny from regulators going forward, which could increase our costs

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compliance costs and subject us to heightened risks and challenges associated with data security and protection.

3.4.7 The Medtech Business is exposed to risks associated with the Group's third-party providers

We face the risk that our counterparties, such as customers, suppliers and service providers, may fail to honour their contractual obligations to the Group. This may result in the Group facing stress on its cash flow and a material increase in bad debts.

In particular, the non-execution of contracts by our suppliers or service providers may lead to us in turn not being able to honour our contractual obligations to our customers. We do not control our suppliers or service providers and if they fail to comply with any law or regulations of the country in which they operate (including employment and labour laws), any disruption to their business and operations arising from such non-compliance may in turn disrupt our production and/or supply of our products or services to our customers, cause delays in our delivery of our products or services to customers and/or lead to the termination or loss of our contracts with our customers. The foregoing events may subject the Group to, among others, legal claims and penalties. As a result, the Group's business, results of operations and financial position may be adversely affected.

3.4.8 The Group may become exposed to various global and local risks that could have a material adverse effect on its business, results of operations and financial condition, and may also be subject to risks due to fluctuations in foreign exchange rates

While the Group expects to initially focus its Medtech Business on the Singapore market and other markets within South East Asia, it may expand its operations in that business segment to markets in other countries worldwide. In such circumstances, our operations may be materially and adversely affected by a variety of conditions and developments in those countries, including inflation, interest rates and general economic conditions, civil unrest, military conflicts, terrorism, change in the political climate and general security concerns, change in duties payable and taxation rates, natural disasters, pandemic, imposition of restrictions on foreign currency conversion or the transfer of funds, appropriation or nationalisation of private enterprise or confiscation of private property or assets. The Group expects these risks to increase as it pursues its strategy to expand the Medtech Business' operations into new geographic markets. The Group may not succeed in developing and implementing effective policies and strategies in each location where it conducts business and the Group's business, results of operations and financial condition may be materially and adversely affected.

Where activities in relation to the Medtech Business (including but not limited to potential acquisitions and joint venture arrangements or collaborations) are undertaken in or located in a different geographic jurisdiction and the revenue denominated in currencies other than Singapore dollars, the Company's revenue and income may be adversely affected by fluctuations in foreign exchange rates, and such fluctuations may be unpredictable.

3.5 Risk Factors in relation to Entry into a New Business Segment

3.5.1 The Group has a limited prior track record and operating history in the Medtech Business

While the Proposed Diversification will not be the Group's first foray into the medical and healthcare industries, the Group has a limited track record in dealing in the medtech space and carrying out the Medtech Business in recent times. As such, there is no assurance that the Medtech Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital as well as operating costs arising from the Medtech Business. The Medtech Business may require substantial capital commitments and may

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expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses. The Medtech Business also involves business risks, including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Medtech Business effectively, the overall financial position and profitability of the Group may be adversely affected.

3.5.2 The Group may encounter problems or face uncertainties associated with its joint ventures, collaborations, acquisitions and/or investments that may adversely affect the Medtech Business

Depending on available opportunities, feasibility and market conditions, the Group may from time to time enter into joint ventures or collaborations with different partners or undertake acquisitions or investments which involve numerous risks. Such risks include but are not limited to, difficulties in the assimilation of the management, operations, services, products, and technologies, possible diversion of management's attention from the Group's existing business operations, unforeseen liabilities and loss of capital or other investments deployed in such joint ventures, collaborations, acquisitions or investments. The successful implementation of our growth strategies will thus depend on, among others, the Group's ability to identify suitable partners, the successful integration of their operations with ours and obtaining the necessary financing. There is no assurance that we will be able to execute such growth strategies successfully (or that no disagreements or disputes will arise with our partners) and as such, the performance of any joint ventures, collaborations, acquisitions or investments could fall short of expectations. In the event that we are unable to effectively or successfully manage and integrate our business operations, we may not be able to realise the expected synergies, cost savings and growth of our Group. As a result, our business, results of operations and financial condition may be materially and adversely affected.

3.5.3 The Group may require additional funding for our future capital expenditure and working capital, as well as to implement our long-term business strategies

Should the Proposed Diversification be approved by Shareholders, the Group's future capital requirements may be substantial and we may need significant external financing to fund the growth of the Medtech Business. Our ability to obtain additional financing depends on a number of factors, such as market conditions, our operating performance and the commercial viability of our products and/or services.

There is no assurance that we will be able to obtain additional financing in a timely manner and on terms that are acceptable to us, or at all. If we require additional funds and cannot raise them on acceptable terms, we may not be able to execute our growth plan in this particular business segment or take advantage of future opportunities, including synergistic acquisitions. In addition to this, we may be forced to delay potential investments or otherwise curtail or cease our operations in the business. Should such events occur, our business, financial condition and results of operations may be materially and adversely affected.

We may raise additional funds by issuing debt securities or by borrowing from banks or other resources. Any debt financing may, in addition to increasing our interest expense and debt-to-equity ratio, be accompanied by conditions that limit our ability to pay dividends, require us to seek lenders' consent for payment of dividends or restrict our freedom to operate our business by requiring lenders' consent for certain corporate actions. If we are unable to procure the additional funding that may be required on acceptable terms, or at all, or if we are unable to service our potential new debt financing, our business, financial condition and results of operations may be materially and adversely affected.

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In addition, if we raise additional funds by way of a placement or rights offering or through the issuance of new Shares or other securities, this may require additional investments by Shareholders. Any Shareholders who are unable or unwilling to participate in such an additional round of fundraising may suffer dilution in their investment. If we fail to utilise the new equity to generate a commensurate increase in earnings, our earnings per share will be diluted and this could lead to a decline in our Share price. Shareholders should that the foregoing is by no means an indication that the Company will undertake a placement or rights offering or otherwise raise funds through the issuance of new Shares or other securities. There is no certainty as to whether such corporate action will be undertaken by the Company should Shareholders' approval be obtained for the Proposed Diversification. The Company will, in any event, make the relevant announcements in accordance with requirements under the Catalist Rules should it intend to enter into or undertake any such fundraising activities.

3.6 Risk Factors in relation to the Healthcare and Medical Industries

The Group's proposed diversification into the Medtech Business will involve business operations and activities in the healthcare and medical industries. Similar to the Group's existing Healthcare Device Business, the Medtech Business is expected to be exposed to risk factors which are associated with business operations in the Healthcare Device Business. These risk factors are explained in the Company's circular dated 16 March 2020 when Shareholders' approval was being sought then for the Group's diversification into, among others, the Healthcare Device Business. Shareholders may wish to refer to the risk factors listed under the sub-heading "*Risks associated with the Healthcare Business*" in section 2.9 of the aforesaid circular for further details on these risk factors.

3.7 Internal Controls and Risk Management of the Medtech Business

The Group recognises the importance of internal controls and risk management for the smooth running of the Medtech Business. The external and internal risks presented by the Medtech Business to the Group is expected to be managed under the existing system of internal controls and risk management of the Group, which will determine the nature and extent of risks which the Board may take in achieving the strategic objectives of the Group. Where necessary to better manage the Group's external and internal risks resulting from the Proposed Diversification, the Group will work towards implementing a set of operations and compliance procedures. Where necessary, the Audit Committee of the Company and the Board will endeavour to:

- (a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the Medtech Business; and
- (b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

Notwithstanding the above, due to human error or judgement, there is no assurance that these frameworks and systems will be strictly complied with at all times. In addition, the Group relies on the self-assessment, review and reporting processes of the respective subsidiaries to ensure that the transactions are carried out in compliance with the accounting standards and Group accounting policies and that the internal controls are adequate. The Group also has an outsourced internal audit function. Accordingly, there may be inherent limitations in the system

which may not prevent or detect all misstatements or instances of fraud in a timely manner, and any changes in conditions or operations of the Medtech Business may cause the system's effectiveness to vary from time to time.

3.8 Future Plans and Prospects

As the Group diversifies into the medtech industry, our strategic focus for the upcoming years is designed to not only expand the Group's market reach but also aimed at enhancing the quality and impact of the Group's healthcare solutions. The Group's roadmap for the growth of the Medtech Business is guided by a commitment to excellence, innovation, and sustainability, with the objective of placing the Group at the forefront of addressing the evolving healthcare needs in Southeast Asia initially, and eventually in other parts of the world.

The Group's future plans and strategy in relation to the Medtech Business are set out below.

- (a) Expand Market Penetration: With our exposure to the healthcare sector via our existing Healthcare Device Business, we recognise the potential within Southeast Asia and will initially focus on deepening the Group's market penetration into this region. The Group's approach is two-fold: (1) to identify markets within Southeast Asia with high growth potential that may benefit from the products and solutions offered under the Medtech Business; and (2) customising our solutions to address the unique healthcare challenges faced by the local communities.
- (b) Innovation to Product Development: We believe that commitment to research and development will be pivotal to the Medtech Business. In particular, the integration of AI is expected to drive the development of next-generation medtech products. We aim to offer products and solutions that focus on more precise, effective and personalised healthcare solutions and predictive diagnostics that will enhance the overall patient care experience.
- (c) Enhance Customer-Centric Solutions: We understand and recognise that the future of healthcare does not lie solely in innovation but in accessibility and convenience. The Group therefore seeks to enhance its customer-centric solutions through, among others, the deployment of integrated digital solutions to manage chronic diseases such as the OnCall SG Diabetes management app. Such solutions are aimed at providing a holistic and seamless healthcare experience to users, ensuring that our services and solutions are comprehensive, user-friendly and supports patients'/users' everyday health management needs.
- (d) Strengthen Financial Resilience: To ensure the sustainability of the Medtech Business, the Group intends to diversify its revenue streams within this business segment. This would entail forging strategic partnerships with key stakeholders (including healthcare providers, governmental bodies, and technology firms), securing government contracts and developing and maintaining recurring sales models that will likely generate long-term and stable income.
- (e) Sustainability and Corporate Responsibility: The Group is committed to integrating sustainable practices throughout our business processes and operations. This commitment is expected to extend to the Group's supply chain management, product selection, and operational protocols, ensuring that our business adheres to environmental, social, and governance practices.

3.9 Changes to the Board arising from the Proposed Diversification

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As at the Latest Practicable Date, there is expected to be no new appointment to the Board arising from the Proposed Diversification.

However, depending on, among others, the needs of the new business and the availability of resources, the Group may hire more personnel (including directors) with suitable expertise and experience to support the growth of the Medtech Business in the future. The Company will make the necessary announcements as required under the Catalist Rules at the appropriate junctures.

3.10 Financial Effects of the Proposed Diversification

As at the Latest Practicable Date, the Company has no affirmative and binding plans in relation to the Medtech Business that is expected to materially impact the net profit, LPS or NTA of the Group. Should there be any material impact on the Group's NTA per Share and LPS for FY2023 as a result of any developments relating to the Medtech Business, the Company will make the necessary announcements as required under the Catalist Rules at the appropriate junctures.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares of the Company, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders kept by the Company as at the Latest Practicable Date, is set out below.

	Direct Interest		Deemed Interest	
	No. of Shares	% (See Note)	No. of Shares	% (See Note)
Directors				
Zhang Jian	283,616,714	20.60	-	-
Zhao Xin	13,773,000	1.00	-	-
Chong Eng Wee	-	-	-	-
Toh Lim Kai	-	-	-	-
Tan Lye Heng Paul	-	-	-	-
Substantial Shareholders (other than Directors)				
Zhang Yulei	87,428,571	6.35	-	-

Note: Based on the entire issued and paid-up share capital of 1,377,053,644 Shares as at the Latest Practicable Date. The Company does not have any treasury shares as at the Latest Practicable Date.

Save for their respective directorships and/or shareholding interests in the Company and/or its subsidiaries (as the case may be) and save as disclosed in this Circular, none of the Directors or their associates or, as far as the Company is aware, Substantial Shareholders or their associates, has any interest, direct or indirect, in the proposed adoption of the Share Buyback Mandate and the Proposed Diversification.

5. DIRECTORS' RECOMMENDATION

5.1 The Proposed Adoption of the Share Buyback Mandate

The Directors are of the view that, for the reasons set out in [Section 2.3](#) above, the proposed adoption of the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of ordinary resolution 1 pertaining to the adoption of the Share Buyback Mandate to be proposed at the EGM.

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5.2 The Proposed Diversification

The Directors are of the view that, for the reasons set out in Section 3.3 above, the Proposed Diversification is in the best interest of the Company. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of ordinary resolution 2 pertaining to the Proposed Diversification to be proposed at the EGM.

6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's polling agent, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01, Republic Plaza Tower I, Singapore 048619 not less than 48 hours before the date and time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he/she subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance. A Depositor shall not be regarded as a Shareholder of the Company and shall not be entitled to attend the EGM and to speak and vote thereat unless his/her name appears on the Depository Register at least 72 hours before the EGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 Circular in its proper form and context.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555, during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the Constitution; and
- (b) the annual report of the Company for FY2023.

Any Shareholder who wishes to inspect any of the foregoing documents should contact the Company at the email address investor@ajjmedtech.com.sg at least 3 working days in advance to make a prior appointment to attend at the registered office of the Company at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555, to inspect the documents. Shareholders will need to identify themselves by stating his/her/its full name as it appears on his/her/its CDP/CPF/SRS 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 (e.g. via CDP, CPF or SRS).

Yours faithfully

LETTER TO SHAREHOLDERS

For and on behalf of the Board of Directors of
AJJ MEDTECH HOLDINGS LIMITED

Zhao Xin

Chief Executive Officer and Executive Director
Singapore, 12 April 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

AJJ MEDTECH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198403368H)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of AJJ Medtech Holdings Limited (the “**Company**”) will be held at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555 on Monday, 29 April 2024 at 3.00 p.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at 2.00 p.m. on the same day at the same place) (the “**EGM**”), for the purpose of considering and, if thought fit, passing, with or without amendments, the resolutions set out below.

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the circular to shareholders issued by the Company dated 12 April 2024 (the “**Circular**”).*

ORDINARY RESOLUTION 1

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

IT IS RESOLVED that:

- (a) for the purposes of the Companies Act, the exercise by the directors of the Company (“**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
- (i) on-market purchase(s) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and/or on any other stock exchange on which the Shares are listed for the time being (each a “**Market Purchase**”); and/or
 - (ii) off-market purchase(s) effected otherwise than on the SGX-ST (or, as the case may be, any other stock exchange on which the Shares are listed for the time being) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act (each an “**Off-Market Purchase**”),
- and otherwise in accordance with all other laws, regulations and the Catalist Rules (or, as the case may be, the rules of the other stock exchange on which the Shares are listed for the time being) as may, for the time being, be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);
- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (c) the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this ordinary resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the shareholders of the Company in a general meeting; or
 - (iii) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the fullest extent as authorised under the Share Buyback Mandate; and
- (d) in this ordinary resolution 1:
- “Average Closing Price”** means the average of the closing market prices of a Share over the last 5 market days on which transactions in the Shares on the SGX-ST (or, as the case may be, such other stock exchange on which the Shares are listed for the time being) were recorded (i) (in the case of a Market Purchase) immediately preceding the day on which the Market Purchase is made by the Company, or (ii) (in the case of an Off-Market Purchase) the day of the making of the offer pursuant to the Off-Market Purchase, and in each case, deemed to be adjusted for any corporate action that occurs during such 5-market day period and the day on which such purchases are made (or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase);
- “day of the making of the offer”** means the day on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme(s) for effecting the Off-Market Purchase;
- “market day”** means a day on which the SGX-ST (or, as the case may be, such other stock exchange on which the Shares are listed for the time being) is open for trading in securities;
- “Maximum Limit”** means that number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Catalyst Rules)) as at the date of the passing of this ordinary resolution 1; and
- “Maximum Price”**, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) which shall not exceed:
- (i) in the case of a Market Purchase of a Share, 105% of the Average Closing Price of the Shares; and
 - (ii) in the case of an Off-Market Purchase of a Share, 120% of the Average Closing Price of the Shares.
- (e) The Directors and each and any of them be and are hereby authorised to do such acts and things (including without limitation, to execute all documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he or she may consider necessary, desirable or expedient to give effect to the transactions contemplated and/or authorised by this ordinary resolution 1.

[See Explanatory Note below]

ORDINARY RESOLUTION 2

THE PROPOSED DIVERSIFICATION

IT IS RESOLVED that:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (a) approval be and is hereby given for the Company to expand the Group's existing business to include, and for the diversification by the Group into, the Medtech Business (as described in Section 3.1 of the Circular);
- (b) subject to any additional requirement under the Catalist Rules or of the SGX-ST to obtain specific shareholders' approval, the Company (whether directly or via any other Group Company) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time, any assets, businesses, investments shares and/or interests in any entity that is related to the Medtech Business, and to enter into any other contracts, agreements and undertakings as the Directors may in their absolute discretion consider necessary, desirable or expedient to undertake in relation to the Medtech Business; and
- (c) the Directors and each of them be and are hereby authorised to take any and all steps and to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they and/or he or she may in their and/or his or her absolute discretion consider necessary, desirable, expedient or in the interests of the Company in order to implement, complete or give effect to the Proposed Diversification and all matters and transactions as contemplated in this ordinary resolution 2.

Explanatory Note to Ordinary Resolution 1:

Ordinary resolution 1 proposed above, if passed, will empower the Directors of the Company for the time being, from the date of this EGM until, whichever is the earliest of the following:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by resolution of the shareholders of the Company in a general meeting; or
- (c) the date on which the Share Buyback Mandate have been carried out to the full extent mandated,

to purchase or acquire Shares (whether by way of Market Purchase or Off-Market Purchase) from time to time of up to the Maximum Limit at prices up to but not exceeding the Maximum Price.

Based on the issued and paid-up share capital of the Company of 1,377,053,644 Shares as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the EGM, the maximum number of Shares which may be purchased or acquired by the Company pursuant to the Maximum Limit under the Share Buyback Mandate is 137,705,364 Shares. Assuming that the Company purchases or acquires 137,705,364 Shares at the Maximum Price, in the case of both Market Purchases and Off-Market Purchases, of S\$0.00483 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST over the last 5 market days on which transactions were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately S\$665,117.00.

The Company may use internal sources of funds, external borrowings, or a combination of both of the aforesaid, to finance the purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of EGM as these will depend on, among others, the number of Shares purchased or acquired and the price at which such Shares were purchased or acquired.

The rationale for the Share Buyback Mandate, the authority and limitation on the purchase or acquisition of Shares under the Share Buyback Mandate, and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are set out in the Circular. Please refer to the Circular for further details.

BY ORDER OF THE BOARD

NOTICE OF EXTRAORDINARY GENERAL MEETING

Zhao Xin
Chief Executive Officer and Executive Director
Singapore, 12 April 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT NOTES:

HOLDING OF THE EXTRAORDINARY GENERAL MEETING

1. PROXY AND VOTING AT THE EGM

1.1. Shareholders may attend, speak and vote at the EGM or appoint proxy or proxies to attend, speak and vote on their behalf at the EGM. A proxy need not be a member of the Company.

1.2. If a Shareholder wishes to appoint a proxy or proxies to vote on their behalf at the EGM, duly executed Proxy Forms, must be submitted in hard copy form or electronically via email:

(a) if submitted by post, to be deposited with the Company's polling agent, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01, Republic Plaza Tower I, Singapore 048619; or

(b) if submitted by way of electronic means, to be submitted via email in Portable Document Format (PDF) to the Company's polling agent, at sg.is.proxy@sg.tricorglobal.com,

in either case, by 27 April 2024, 3.00 p.m., being no less than 48 hours before the time appointed for the holding of the EGM and/or any adjournment thereof and in default the Proxy Form shall be treated as invalid. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

1.3. In appointing the Chairman of the EGM as proxy, Shareholders should specifically indicate in the Proxy Form how they wish to vote for or vote against (or abstain from voting on) the resolution set out in the Notice of EGM, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

1.4. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

1.5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with its constitution and Section 179 of the Companies Act, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

1.6. A Shareholder who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such Shareholder's Proxy Form appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the Proxy Form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid.

A Shareholder who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's Proxy Form appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

1.7. SRS and CPF investors:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (a) may attend and vote at the EGM if they are appointed as proxies by their SRS Operators or CPF Agent Banks, and should contact their SRS Operators or CPF Agent Banks if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the EGM as proxy, in which case they should approach their respective SRS Operators or CPF Agent Banks to submit their votes by 3.00 p.m. on 18 April 2024, being at least 7 working days before the EGM.

1.8. A “**Relevant Intermediary**” is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the SFA and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. QUESTIONS

- 2.1. Shareholders and duly appointed proxy or proxies will be able to ask questions relating to the resolution to be tabled for approval at the EGM. The Company will endeavour to respond to and address substantial and relevant questions as far as reasonably practicable during the EGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- 2.2. Alternatively, Shareholders can submit their questions relating to the resolutions to be tabled for approval at the EGM in advance of the EGM:
 - (a) if submitted by post, to be deposited with the Company at 8 Commonwealth Lane, #02-04, Grande Building, Singapore 149555; or
 - (b) if submitted by way of electronic means, to be submitted via email to the Company at investor@ajjmedtech.com.sg.

Shareholders who submit questions in advance of the EGM should identify themselves by stating his/her/its full name as it appears on his/her/its CDP/SRS/CPF 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 (e.g. via CDP, CPF or SRS) for verification purposes.

All questions must be submitted by 3.00 p.m. on 22 April 2024.

- 2.3. Shareholders are encouraged to submit their questions via one of the foregoing means as soon as possible so that they may have the benefit of the answers to their questions (where substantial and relevant to the agenda of the EGM) prior to submitting their Proxy Forms. Please note that substantial and relevant questions (as may be determined by the Company at its sole discretion) from Shareholders submitted in advance and received by the Company would be addressed by the Company and published on the SGX website no later than 48 hours before the deadline for submission of the Proxy Forms. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the EGM in respect of substantial and relevant matters.

3. EGM AND EGM DOCUMENTS

NOTICE OF EXTRAORDINARY GENERAL MEETING

Shareholders are invited to attend the EGM in person. There will be no option for Shareholders to participate by electronic means.

Printed copies of the Circular, this Notice of EGM and the Proxy Form will be sent to the Shareholders. These documents are also made available on the SGX-ST website (www.sgx.com) and on the Company's website (<http://ajjmedtech.com.sg>).

4. PERSONAL DATA PRIVACY

"Personal data" in this Notice of EGM has the meaning ascribed to it pursuant to the Personal Data Protection Act 2012 of Singapore, which includes your name, address and NRIC/Passport number. By submitting (a) details for the registration to observe or participate in the proceeding of the EGM, or (b) an instrument appointing the Chairman of the EGM (or any person other than the Chairman) as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, (c) any questions prior to the EGM in accordance with this Notice of EGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the EGM (or any person other than the Chairman), processing the registration for purpose of granting access to members (or their appointed proxies) to observe and participate in the proceedings of the EGM, addressing relevant and substantial questions from members received before the EGM and if necessary, following-up with the relevant members in relation to such questions, and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Use of Data Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Use of Data Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings at the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the EGM and any questions he may raise or motions he propose/ second) may be recorded by the Company for such purpose.

This Notice of EGM has been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited (the **"Sponsor"**). This Notice of EGM 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 document, including the correctness of the statements or opinions made or reports contained in this Notice of EGM.

The contact person for the Sponsor is Mr. Jerry Chua at Evolve Capital Advisory Private Limited, 138 Robinson Road, #13-02, Oxley Tower, Singapore 068906, telephone (65) 6241 6626.

PROXY FORM

AJJ MEDTECH HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198403368H)

**EXTRAORDINARY GENERAL MEETING
PROXY FORM**

(Please see notes overleaf before completing this form)

IMPORTANT:

1. A Relevant Intermediary may appoint more than two proxies to attend the Extraordinary General Meeting (“EGM” or “Meeting”) and vote (please see the notes for the definition of “Relevant Intermediary”).
2. Please read the notes overleaf which contain instructions on, among others, the appointment of the Chairman of the Meeting (or any person other than the Chairman of the Meeting) as a Shareholder’s proxy to vote on his/her/its behalf at the EGM.
3. This Proxy Form shall be read together with the Notice of EGM and the Circular of the Company dated 12 April 2024 (the “Circular”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

I/We* _____ (Name), _____ (NRIC/Passport No./Company Registration No.*) of _____ (Address) being a Member/ Members* of **AJJ MEDTECH HOLDINGS LIMITED** (the “Company”) hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)	
			No. of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)	
			No. of Shares	%

or failing whom, the Chairman of the Meeting as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the Meeting to be held at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555 on Monday, 29 April 2024 at 3.00 p.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at 2.00 p.m. on the same day at the same place), and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against or to abstain from the resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, my/our* proxy/proxies* may vote or abstain from voting at his or her discretion. Where the Chairman of the EGM is appointed as proxy and the absence of specific directions as to voting, the appointment of Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Please indicate your vote “For”, “Against” or “Abstain” with an “X” within the boxes provided below. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for the resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

		FOR	AGAINST	ABSTAIN
ORDINARY RESOLUTIONS				
1	To approve the proposed adoption of the Share Buyback Mandate			
2	To approve the Proposed Diversification			

* Delete whichever not applicable.

Dated this _____ day of _____ 2024

Total number of Shares	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature of Member(s) and/or
Common Seal of Corporate Member

PROXY FORM

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. The Proxy Form appointing a proxy or proxies to vote on the Shareholder's behalf at the EGM, duly executed, must be submitted in hard copy form or electronically via email:
 - (a) if submitted by post, to be deposited with the Company's polling agent, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01, Republic Plaza Tower I, Singapore 048619; or
 - (b) if submitted by way of electronic means, to be submitted via email in Portable Document Format (PDF) to the Company's polling agent, at sg.is.proxy@sg.tricorglobal.com,

in either case, by 27 April 2024, 3.00 p.m., being no less than 48 hours before the time appointed for the holding of the EGM (or at any adjournment thereof) and in default, the Proxy Form shall be treated as invalid.

A Shareholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above or scanning and sending it by email to the email address provided above.

3. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
4. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its constitution and Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
5. SRS and CPF investors may attend and vote at the EGM if they are appointed as proxies by their SRS Operators or CPF Agent Banks and should contact their SRS Operators or CPF Agent Banks if they have any queries regarding their appointment as proxies. For SRS and CPF investors who wish to appoint the Chairman of the Meeting as their proxy, they should approach their SRS Operators or CPF Agent Banks to submit their votes by 18 April 2024, 3.00 p.m., being at least 7 working days before the EGM.

A "Relevant Intermediary" is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

PROXY FORM

- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 12 April 2024.