

**CIRCULAR DATED 11 JANUARY 2024**

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

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An additional listing application will be made through the Sponsor, to SGX-ST for permission for the listing and quotation of the Capitalisation Shares and the PSP Shares (each as defined herein) on the Catalist board of SGX-ST ("**Catalist**"). The listing and quotation notice for the Capitalisation Shares and the PSP Shares, if issued by SGX-ST, is not to be taken as an indication of the merits of the Proposed Capitalisation (as defined herein), the Proposed Adoption of the Plan (as defined herein), the Company, the Shares, the Capitalisation Shares and the PSP Shares.



**OEL (HOLDINGS) LIMITED**  
(Incorporated in the Republic of Singapore)  
(Unique Entity Number: 198403368H)

**Independent Financial Adviser in relation to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation**



**ZICO CAPITAL PTE. LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201613589E)

## **CIRCULAR TO SHAREHOLDERS**

**in relation to**

- (1) THE PROPOSED ZJ LOAN CAPITALISATION;**
- (2) THE PROPOSED ZYL LOAN CAPITALISATION;**
- (3) THE PROPOSED ZYH CAPITALISATION;**
- (4) THE PROPOSED PARTIAL ACQUISITION CONSIDERATION CAPITALISATION;**
- (5) THE PROPOSED OUTSTANDING SPONSOR FEES CAPITALISED AMOUNT CAPITALISATION;**
- (6) THE PROPOSED CHANGE OF NAME;**
- (7) THE PROPOSED ADOPTION OF THE PLAN;**
- (8) THE PROPOSED PARTICIPATION; AND**
- (9) THE PROPOSED GRANT OF THE ZYL AWARD**

### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	4 February 2024 at 10.00 a.m.
Date and time of EGM	:	6 February 2024 at 10.00 a.m.
Place of EGM	:	8 Commonwealth Lane #02-04, Grande Building Singapore 149555

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## DEFINITIONS

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

- "6M2023"** : Has the meaning ascribed to it in paragraph 4 of this Circular
- "ACRA"** : The Accounting and Corporate Regulatory Authority of Singapore
- "Administration Committee"** : The Remuneration Committee, or such other committee comprising Directors, duly authorised and appointed by the Board to administer the Plan
- "AI"** : Has the meaning ascribed to it in paragraph 3 of this Circular
- "AJJ"** : AJJ Healthcare Management Pte. Ltd., a Subsidiary of the Company
- "Announcement"** : The Company's announcement dated 8 January 2024 (SGXNet Announcement No. SG240108OTHRNUS4)
- "Associate"** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his Immediate Family;
  - (ii) the trustees of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30.0% or more; or
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- "Audit Committee"** : The audit committee of the Company as at the date of this Circular
- "Auditors"** : The auditors of the Company from time to time
- "Award"** : An award of Shares granted under Rule 5 of the Plan
- "Award Date"** : In relation to an Award, the date on which the Award was granted pursuant to Rule 5 of the Plan

<b>"Award Letter"</b>	:	A letter in such form as the Administration Committee shall approve confirming an Award granted to a Participant by the Administration Committee
<b>"Board of Directors" or "Board"</b>	:	The board of directors of the Company as at the Latest Practicable Date
<b>"Catalist"</b>	:	The sponsor-supervised listing platform of SGX-ST
<b>"Catalist Rules"</b>	:	Section B of the Listing Manual of SGX-ST dealing with the rules of the Catalist, as amended, modified or supplemented from time to time
<b>"Capitalisation Price"</b>	:	S\$0.007 per Capitalisation Share
<b>"Capitalisation Shares"</b>	:	The ZJ Capitalisation Shares, the ZYL Capitalisation Shares, the ZYH Capitalisation Shares, the CJG Capitalisation Shares and the Sponsor Capitalisation Shares, collectively
<b>"Capitalised Acquisition Consideration"</b>	:	Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
<b>"CDP"</b>	:	The Central Depository (Pte) Limited
<b>"Circular"</b>	:	This circular to the Shareholders dated 11 January 2024
<b>"CJG Capitalisation Shares"</b>	:	Has the meaning ascribed to it in paragraph 2.2(d)(ii) of this Circular
<b>"CJG Conditional Novation and Capitalisation Deed"</b>	:	Has the meaning ascribed to it in paragraph 2.2(d)(ii) of this Circular
<b>"Commencement Date"</b>	:	The date on which the Plan is adopted by the Company in general meeting
<b>"Companies Act"</b>	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
<b>"Company"</b>	:	OEL (Holdings) Limited
<b>"Conditional Capitalisation Deeds"</b>	:	The ZJ Conditional Capitalisation Deed, the ZYL Conditional Capitalisation Deed, the ZYH Conditional Novation and Capitalisation Deed, the CJG Conditional Novation and Capitalisation Deed and the Sponsor Conditional Capitalisation Deed, collectively, and <b>"Conditional Capitalisation Deed"</b> means any one of them
<b>"Constitution"</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>"Directors"</b>	:	The directors of the Company as at the Latest Practicable Date
<b>"EGM"</b>	:	The extraordinary general meeting of the Company to be held at 8 Commonwealth Lane, #02-04, Grande Building, Singapore

149555 on 6 February 2024 at 10.00 a.m. (or any adjournment thereof)

- "Eligible Shareholders"** : Has the meaning ascribed to it in paragraph 13.3 of this Circular
- "Employee"** : A full-time or part-time employee of the Group (including a Group Executive Director) selected by the Administration Committee to participate in the Plan in accordance with Rule 4 of the Plan
- "Encumbrance"** Any mortgage, charge, security interest, lien, pledge, assignment by way of security, equity, claim, right of first refusal, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law)
- "Enlarged Share Capital"** : The total enlarged issued share capital of the Company following the Proposed Capitalisation
- "EPS"** : Earnings per Share
- "FY2022"** : Has the meaning ascribed to it in paragraph 4 of this Circular
- "Group"** : The Company and its Subsidiaries, and **"Group Company"** means any one of them
- "Group Executive Director"** : An executive director of the Company and/or any other Group Company
- "Group Non-Executive Director"** : A director (other than a Group Executive Director) of the Company and/or any other Group Company
- "IFA"** : ZICO Capital Pte. Ltd., the independent financial adviser appointed to advise the Independent Directors in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation
- "IFA Letter"** : The letter from the IFA dated 10 January 2024 with respect to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as interested person transactions as set out in Appendix A to this Circular
- "Immediate Family"** : In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent
- "Independent Directors"** : The Directors who are considered independent for the purpose of making a recommendation to Independent Shareholders in respect of the Proposed ZJ Loan Capitalisation and Proposed ZYL Loan Capitalisation, as at the Latest Practicable Date are namely, Ms. Zhao Xin, Mr. Paul Tan Lye Heng, Mr. Chong Eng Wee and Mr. Toh Lim Kai (for the avoidance of doubt, Dr. Zhang Jian will abstain from making any recommendation to Independent Shareholders)

<b>"Independent Shareholders"</b>	:	The Shareholders who are considered independent for the purpose of the Proposed ZJ Loan Capitalisation, the Proposed ZYL Loan Capitalisation, the Proposed ZYL Participation and the Proposed ZYL Grant Resolution (being the Shareholders other than Dr. Zhang Jian and his Associates)
<b>"Latest Practicable Date"</b>	:	8 January 2024, being the latest practicable date prior to the printing of this Circular
<b>"Market Day"</b>	:	A day on which Shares are traded on SGX-ST
<b>"Market Value"</b>	:	In relation to a Share, on any day: <ul style="list-style-type: none"> <li>(a) the average price of a Share listed or quoted on SGX-ST (or such other stock exchange on which the Shares may for the time being be listed or quoted) over the five immediate preceding Market Days on which Shares were traded; or</li> <li>(b) if the Administration Committee is of the opinion that the Market Value as determined in accordance with paragraph (a) above is not representative of the value of a Share, such price as the Administration Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable</li> </ul>
<b>"NAV"</b>	:	Net asset value
<b>"Notice of EGM"</b>	:	The notice of EGM set out on pages N-1 to N-7 of this Circular
<b>"NTA"</b>	:	Net tangible assets
<b>"Ordinary Resolution 1"</b>	:	Has the meaning ascribed to it in paragraph 1.1(a) of this Circular
<b>"Ordinary Resolution 2"</b>	:	Has the meaning ascribed to it in paragraph 1.1(b) of this Circular
<b>"Ordinary Resolution 3"</b>	:	Has the meaning ascribed to it in paragraph 1.1(c) of this Circular
<b>"Ordinary Resolution 4"</b>	:	Has the meaning ascribed to it in paragraph 1.1(d) of this Circular
<b>"Ordinary Resolution 5"</b>	:	Has the meaning ascribed to it in paragraph 1.1(e) of this Circular
<b>"Ordinary Resolution 6"</b>	:	Has the meaning ascribed to it in paragraph 1.1(f) of this Circular
<b>"Ordinary Resolution 7"</b>	:	Has the meaning ascribed to it in paragraph 1.1(h) of this Circular
<b>"Ordinary Resolution 8"</b>	:	Has the meaning ascribed to it in paragraph 1.1(i) of this Circular
<b>"Ordinary Resolution 9"</b>	:	Has the meaning ascribed to it in paragraph 1.1(j) of this Circular
<b>"Ordinary Resolutions"</b>	:	Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5,

	Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8 and Ordinary Resolution 9, collectively
<b>"Outstanding Amounts"</b>	: The ZJ Loan Outstanding Amount, the ZYL Loan, the ZYH Loan Outstanding Amount, the Capitalised Acquisition Consideration and the Outstanding Sponsor Fees, collectively, and <b>"Outstanding Amount"</b> means any one of them
<b>"Outstanding Sponsor Fees"</b>	: Has the meaning ascribed to it in paragraph 2.1.3 of this Circular
<b>"Outstanding Sponsor Fees Capitalised Amount"</b>	: Has the meaning ascribed to it in paragraph 2.2(e) of the Circular
<b>"Participant"</b>	: An Employee or a Group Non-Executive Director who has been granted an Award (including duly appointed personal representatives of such Employee or Group Non-Executive Director, where applicable)
<b>"Performance Condition"</b>	: In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award
<b>"Performance Period"</b>	: In relation to a Performance-related Award, a period, the duration of which is to be determined by the Administration Committee on the Award Date, during which the Performance Condition(s) is (are) to be satisfied
<b>"Performance-related Award"</b>	: An Award in relation to which a Performance Condition is specified
<b>"Plan"</b>	: The performance share plan proposed to be adopted by the Company at the EGM, the rules of which are set out in Appendix B to this Circular
<b>"Proposed Adoption of the Plan"</b>	: Has the meaning ascribed to it in paragraph 1.1(h) of this Circular
<b>"Proposed Change of Name"</b>	: Has the meaning ascribed to it in paragraph 1.1(g) of this Circular
<b>"Proposed Capitalisation"</b>	: The Proposed ZJ Loan Capitalisation, the Proposed ZYL Loan Capitalisation, the Proposed ZYH Loan Capitalisation, the Proposed Partial Acquisition Consideration Capitalisation and the Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation, collectively
<b>"Proposed Grant of the ZYL Award"</b>	: Has the meaning ascribed to it in paragraph 1.1(j) of this Circular
<b>"Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation"</b>	: Has the meaning ascribed to it in paragraph 1.1(f) of this Circular
<b>"Proposed Partial Acquisition Consideration"</b>	: Has the meaning ascribed to it in paragraph 1.1(e) of this Circular

## **Capitalisation"**

- "Proposed Transactions"** : Has the meaning ascribed to it in paragraph 1.1 of this Circular
- "Proposed Transfer of Controlling Interest"** : Has the meaning ascribed to it in paragraph 1.1(b) of this Circular
- "Proposed ZJ Loan Capitalisation"** : Has the meaning ascribed to it in paragraph 1.1(a) of this Circular
- "Proposed ZYH Loan Capitalisation"** : Has the meaning ascribed to it in paragraph 1.1(d) of this Circular
- "Proposed ZYL Grant Resolution"** : The resolution proposed to approve the Proposed Grant of the ZYL Award, as set out in the Notice of EGM
- "Proposed ZYL Loan Capitalisation"** : Has the meaning ascribed to it in paragraph 1.1(c) of this Circular
- "Proposed ZYL Participation"** : Has the meaning ascribed to it in paragraph 1.1(i) of this Circular
- "Proxy Form"** : The proxy form in respect of the EGM as set out in this Circular
- "PSP Shares"** : The new Shares to be allotted and issued pursuant to the Plan
- "Quest Acquisition"** : Has the meaning ascribed to it in paragraph 2.1.2 of this Circular
- "Quest Asia"** : Quest Asia Technologies Pte. Ltd.
- "Record Date"** : In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
- "Register of Members"** : The electronic register of members of the Company kept and maintained by the Registrar pursuant to Section 196A of the Companies Act
- "Registrar"** : The Registrar of Companies appointed under the Companies Act
- "Release"** : In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with the Plan, and, to the extent that any Shares which are the subject of the Award are not released pursuant to the Plan, the Award in relation to those Shares shall lapse accordingly, and **"Released"** shall be construed accordingly
- "Released Award"** : An Award which has been released in full or in part in accordance with Rule 7 of the Plan



<b>"Remuneration Committee"</b>	:	The remuneration committee of the Company from time to time
<b>"SFA"</b>	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
<b>"SFRS(I) 2"</b>	:	Has the meaning ascribed to it in paragraph 9.5.3 of this Circular
<b>"Share(s)"</b>	:	Ordinary share(s) in the share capital of the Company
<b>"Shareholders"</b>	:	The registered holders of the Shares in the Register of Members, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<b>"Special Resolution"</b>	:	Has the meaning ascribed to it in paragraph 1.1(g) of this Circular
<b>"Sponsor"</b>	:	Evolve Capital Advisory Private Limited
<b>"Sponsor Capitalisation Shares"</b>	:	Has the meaning ascribed to it in paragraph 2.2(e) of this Circular
<b>"Sponsor Conditional Capitalisation Deed"</b>	:	Has the meaning ascribed to it in paragraph 2.2(e) of this Circular
<b>"Vesting"</b>	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award, and " <b>Vest</b> " and " <b>Vested</b> " shall be construed accordingly
<b>"Vesting Date"</b>	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Administration Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7 of the Plan
<b>"Vesting Period"</b>	:	In relation to an Award, each period (if any), the duration of which is to be determined by the Administration Committee on the Award Date, after the expiry of which the relevant number of Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7 of the Plan
<b>"ZJ Capitalisation Shares"</b>	:	Has the meaning ascribed to it in paragraph 2.2 of this Circular
<b>"ZJ Conditional Capitalisation Deed"</b>	:	Has the meaning ascribed to it in paragraph 2.2 of this Circular
<b>"ZJ Loan"</b>	:	Has the meaning ascribed to it in paragraph 2.1.1 of this Circular
<b>"ZJ Loan Outstanding Amount"</b>	:	Has the meaning ascribed to it in paragraph 2.1.1 of this Circular
<b>"ZYH Capitalisation Shares"</b>	:	Has the meaning ascribed to it in paragraph 2.2(c)(ii) of this Circular

"ZYH Conditional Novation and Capitalisation Deed"	:	Has the meaning ascribed to it in paragraph 2.2(c)(ii) of this Circular
"ZYH Loan"	:	Has the meaning ascribed to it in paragraph 2.1.1 of this Circular
"ZYH Loan Outstanding Amount"	:	Has the meaning ascribed to it in paragraph 2.1.1 of this Circular
"ZYL Capitalisation Shares"	:	Has the meaning ascribed to it in paragraph 2.2(b) of this Circular
"ZYL Conditional Capitalisation Deed"	:	Has the meaning ascribed to it in paragraph 2.2(b) of this Circular
"ZYL Award"	:	An Award of up to 16,000,000 PSP Shares to Ms. Zhang Yulei
"ZYL Loan"	:	Has the meaning ascribed to it in paragraph 2.1.1 of this Circular

#### **Currencies, Units of Measurements and Others**

"S\$" and "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent."	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings ascribed to them in Section 81SF of the SFA, respectively. The terms "**Subsidiary**" and "**Substantial Shareholder**" shall have the meanings ascribed to them in Sections 5 and 81 of the Companies Act, respectively. The terms "**Associated Company**" and "**Controlling Shareholder**" shall have the meanings ascribed to them in the Catalist Rules.

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

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

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

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

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

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

# LETTER TO SHAREHOLDERS

## OEL (HOLDINGS) LIMITED

(Incorporated in the Republic of Singapore)  
(Unique Entity Number: 198403368H)

### Directors

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

### Registered Office

8 Commonwealth Lane  
#02-04, Grande Building  
Singapore 149555

11 January 2024

### To: The Shareholders of OEL (Holdings) Limited

Dear Sir/Madam

#### 1. INTRODUCTION

##### 1.1 EGM

The Directors of the Company propose to convene the EGM to be held on 6 February 2024 to seek the approval of the Shareholders for the following:

- (a) the proposed capitalisation of the ZJ Loan Outstanding Amount (the "**Proposed ZJ Loan Capitalisation**"), and the ordinary resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), "**Ordinary Resolution 1**";
- (b) the proposed transfer of a controlling interest in the Company to Dr. Zhang Jian arising from the Proposed ZJ Loan Capitalisation (the "**Proposed Transfer of Controlling Interest**"), and the ordinary resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), "**Ordinary Resolution 2**";
- (c) the proposed capitalisation of the ZYL Loan (the "**Proposed ZYL Loan Capitalisation**"), and the ordinary resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), "**Ordinary Resolution 3**";
- (d) the proposed capitalisation of the ZYH Loan Outstanding Amount (the "**Proposed ZYH Loan Capitalisation**"), and the ordinary resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), "**Ordinary Resolution 4**";
- (e) the proposed capitalisation of the Capitalised Acquisition Consideration (the "**Proposed Partial Acquisition Consideration Capitalisation**"), and the ordinary resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), "**Ordinary Resolution 5**";
- (f) the proposed capitalisation of the Outstanding Sponsor Fees Capitalised Amount (the "**Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation**"), and the ordinary resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), "**Ordinary Resolution 6**";
- (g) the proposed change of name of the Company from "OEL (Holdings) Limited" to "AJJ Medtech Holdings Limited" (the "**Proposed Change of Name**", and the special

resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), the "**Special Resolution**";

- (h) the proposed adoption of the Plan by the Company at the EGM, the rules of which are set out in Appendix B to this Circular (the "**Proposed Adoption of the Plan**", and the ordinary resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), "**Ordinary Resolution 7**");
- (i) the proposed participation in the Plan by Ms. Zhang Yulei (the "**Proposed ZYL Participation**", and the ordinary resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), "**Ordinary Resolution 8**"); and
- (j) the proposed grant of the ZYL Award (the "**Proposed Grant of the ZYL Award**", and the ordinary resolution to be proposed at the EGM in relation thereto (as set out in the Notice of EGM), "**Ordinary Resolution 9**"),

(collectively, the "**Proposed Transactions**").

## 1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to explain the rationale for, each of the Proposed Transactions and to seek Shareholders' approval for each of the Proposed Transactions at the EGM.

## 1.3 Legal Adviser

BTPLaw LLC is the legal adviser to the Company in relation to this Circular and the Proposed Transactions.

## 2. THE PROPOSED CAPITALISATION

### 2.1 Background

#### 2.1.1 Loans to the Company

##### ZJ Loan

Dr. Zhang Jian is the Chairman and an executive director of the Company. He also holds an aggregate 14.81% shareholding interest in the Company as at the Latest Practicable Date, and is, therefore, a Substantial Shareholder of the Company.

As announced on 2 April 2023, the Company and Dr. Zhang Jian had on 1 April 2023 entered into a loan agreement, pursuant to which Dr. Zhang Jian extended to the Company an interest-free shareholder's loan of S\$1,400,000 (the "**ZJ Loan**"), of which S\$1,017,000 remains owing by the Company as at the date of the ZJ Conditional Capitalisation Deed (the "**ZJ Loan Outstanding Amount**"). The ZJ Loan is due for full repayment on the date falling 399 days from the date of disbursement by Dr. Zhang Jian.

Please refer to the Company's announcement on 2 April 2023 (SGXNet Announcement No. SG230402OTHRK50K) for further information on the ZJ Loan.

##### ZYL Loan

As announced on 28 August 2023, the Company and Ms. Zhang Yulei, the Chief Strategy Officer of the Company and the daughter of Dr. Zhang Jian, had on 28 August 2023 entered

into a loan agreement, pursuant to which Ms. Zhang Yulei extended to the Company an interest-free loan of S\$500,000, the entire amount of which remains owing by the Company as at the date of the ZYL Conditional Capitalisation Deed (the "**ZYL Loan**"). The ZYL Loan is due for full repayment on the date falling 399 days from the date of disbursement by Ms. Zhang Yulei.

Please refer to the Company's announcement on 28 August 2023 (SGXNet Announcement No. SG230828OTHRAZ7Y) for further information on the ZYL Loan.

#### ZYH Loan

As announced on 23 November 2022, AJJ and Mr. Zhang Yunhai had on 23 November 2022 entered into a loan agreement, pursuant to which Mr. Zhang Yunhai extended to AJJ an interest-bearing loan of S\$400,000 at a fixed interest rate of 1.6% per annum (the "**ZYH Loan**"), the entire amount of which as well as accrued interest amounting to S\$6,260 remain owing by the Company (as a result of the novation from AJJ to the Company, as described in paragraph 2.2 of this Circular) as at the date of the ZYH Conditional Novation and Capitalisation Deed (the "**ZYH Loan Outstanding Amount**"). The ZYH Loan is due for full repayment on the date falling on the second anniversary of the date on which Mr. Zhang Yunhai disbursed the final tranche of the ZYH Loan.

Please refer to the Company's announcement on 23 November 2022 (SGXNet Announcement No. SG221123OTHRFJX4) for further information on the ZYH Loan.

### 2.1.2 **Acquisition Consideration**

As announced on 7 August 2023, AJJ completed the acquisition of 70.0% of the shareholding interests in Quest Asia from Mr. Chua June Gay and Ms. Wang Limei, resulting in Quest Asia becoming an indirect Subsidiary of the Company (the "**Quest Acquisition**"). The consideration payable by AJJ to Mr. Chua June Gay in connection with the Quest Acquisition is S\$335,250 (the "**Acquisition Consideration**"), all of which remains owing by the Company (as a result of the novation of the Acquisition Consideration from AJJ to the Company, as described in paragraph 2.2 of this Circular) as at the date of the CJG Conditional Novation and Capitalisation Deed.

Please refer to the Company's announcements dated 16 June 2023 (SGXNet Announcement No. SG230616OTHR5IOJ) and 7 August 2023 (SGXNet Announcement No. SG230807OTHRJMEF) for more information on the Quest Acquisition.

### 2.1.3 **Unpaid Sponsor Fees**

As at the date of the Sponsor Conditional Capitalisation Deed, the Company owes the Sponsor a total of S\$79,002 (the "**Outstanding Sponsor Fees**"), which are outstanding professional fees for continuing sponsorship services.

## 2.2 **Conditional Capitalisation Deeds**

In the Announcement, the Company announced that it had on 8 January 2024 entered into the following:

- (a) a conditional capitalisation deed dated 8 January 2024 with Dr. Zhang Jian, pursuant to which the Company agreed, subject to and upon the terms and conditions set out therein, to capitalise the ZJ Loan Outstanding Amount via the allotment and issuance of 145,285,714 new Shares (the "**ZJ Capitalisation Shares**") at the Capitalisation Price to Dr. Zhang Jian, credited as fully paid-up and free from any Encumbrance, in full repayment and discharge of the ZJ Loan Outstanding Amount (the "**ZJ Conditional**

**Capitalisation Deed");**

- (b) a conditional capitalisation deed dated 8 January 2024 with Ms. Zhang Yulei, pursuant to which the Company agreed, subject to and upon the terms and conditions set out therein, to capitalise the ZYL Loan via the allotment and issuance of 71,428,571 new Shares (the "**ZYL Capitalisation Shares**") at the Capitalisation Price to Ms. Zhang Yulei, credited as fully paid-up and free from any Encumbrance, in full repayment and discharge of the ZYL Loan (the "**ZYL Conditional Capitalisation Deed**");
- (c) a conditional novation and capitalisation deed dated 8 January 2024 with Mr. Zhang Yunhai, pursuant to which:
  - (i) AJJ, the Company and Mr. Zhang Yunhai agreed, subject to and upon the terms and conditions set out therein, for the ZYH Loan to be novated from AJJ to the Company; and
  - (ii) the Company agreed, subject to and upon the terms and conditions set out therein, to capitalise the ZYH Loan Outstanding Amount via the allotment and issuance of 58,037,143 new Shares (the "**ZYH Capitalisation Shares**") at the Capitalisation Price to Mr. Zhang Yunhai, credited as fully paid-up and free from any Encumbrance, in full repayment and discharge of the ZYH Loan Outstanding Amount,  
  
(the "**ZYH Conditional Novation and Capitalisation Deed**");
- (d) a conditional novation and capitalisation deed dated 8 January 2024 with Mr. Chua June Gay, pursuant to which:
  - (i) AJJ, the Company and Mr. Chua June Gay agreed, subject to and upon the terms and conditions set out therein, for the Acquisition Consideration to be novated from AJJ to the Company; and
  - (ii) the Company agreed, subject to and upon the terms and conditions set out therein, to capitalise S\$200,000 of the Acquisition Consideration (the "**Capitalised Acquisition Consideration**") via the allotment and issuance of 28,571,429 new Shares (the "**CJG Capitalisation Shares**") at the Capitalisation Price to Mr. Chua June Gay, credited as fully paid-up and free from any Encumbrance, in full repayment and discharge of the Capitalised Acquisition Consideration,  
  
(the "**CJG Conditional Novation and Capitalisation Deed**"); and
- (e) a conditional capitalisation deed dated 8 January 2024 with the Sponsor, pursuant to which the Company agreed, subject to and upon the terms and conditions set out therein, to capitalise half of the Outstanding Sponsor Fees, amounting to S\$39,501 (the "**Outstanding Sponsor Fees Capitalised Amount**"), via the allotment and issuance of 5,643,000 new Shares (the "**Sponsor Capitalisation Shares**") at the Capitalisation Price to the Sponsor, credited as fully paid-up and free from any Encumbrance, in full repayment and discharge of the Outstanding Sponsor Fees Capitalised Amount (the "**Sponsor Conditional Capitalisation Deed**").

### 2.3 Capitalisation Shares

The Capitalisation Price represents (a) a premium of approximately 16.7% to the price of S\$0.006, being the volume weighted average price of the Shares for trades done on SGX-ST

on 3 January 2024 (being the last full Market Day with trading volume before the date on which the Conditional Capitalisation Deeds were entered into), and (b) a premium of approximately 16.7% to the price of S\$0.006, being the volume weighted average price of the Shares for trades done on SGX-ST over a period of one month up to and including 3 January 2024.

The allotment and issuance of the Capitalisation Shares pursuant to the Proposed Capitalisation is subject to, *inter alia*, approval of SGX-ST for the listing and quotation of the Capitalisation Shares on the Catalist and approval of:

- (a) Independent Shareholders for the the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation; and
- (b) Shareholders for the Proposed ZYH Loan Capitalisation, the Proposed Partial Acquisition Consideration Capitalisation and the Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation being obtained at the EGM.

The Capitalisation Shares are to be credited as fully paid-up and when allotted and issued will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Capitalisation Shares.

Following the completion of the Proposed Capitalisation:

- (a) the Capitalisation Shares will constitute approximately 24.86% of the Enlarged Share Capital;
- (b) the ZJ Capitalisation Shares will constitute approximately 11.69% of the Enlarged Share Capital;
- (c) the ZYL Capitalisation Shares will constitute approximately 5.75% of the Enlarged Share Capital;
- (d) the ZYH Capitalisation Shares will constitute approximately 4.67% of the Enlarged Share Capital;
- (e) the CJG Capitalisation Shares will constitute approximately 2.30% of the Enlarged Share Capital; and
- (f) the Sponsor Capitalisation Shares will constitute approximately 0.45% of the Enlarged Share Capital.

The Proposed Capitalisation will result in Dr. Zhang Jian holding approximately 22.82% of the Enlarged Share Capital and Dr. Zhang Jian and his Associates holding 28.57% of the Enlarged Share Capital following the completion of the Proposed Capitalisation.

Please refer to paragraph 2.6 of this Circular for the shareholding structure of the Company as at the Latest Practicable Date and after the completion of the Proposed Capitalisation.

## **2.4 Conditions Precedent**

Each Conditional Capitalisation Deed provides that completion of the Proposed ZJ Loan Capitalisation, the Proposed ZYL Loan Capitalisation, the Proposed ZYH Loan Capitalisation, the Proposed Partial Acquisition Consideration Capitalisation and the Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation, as applicable, is conditional upon the fulfilment of the following conditions precedent:

- (a) approval by Shareholders having been obtained;
- (b) the listing and quotation notice being obtained from SGX-ST approving, *inter alia*, the listing and quotation of the relevant Capitalisation Shares on the Catalist and such approval not having been revoked or amended, and where such approval is subject to conditions ("**Listing Conditions**"), such Listing Conditions being acceptable to the Company and, if so acceptable, such Listing Conditions having been fulfilled on or before that date to the satisfaction of SGX-ST or waived by SGX-ST; and
- (c) the capitalisation of the relevant Outstanding Amount and the allotment and issuance, as well as the listing and quotation, of the relevant Capitalisation Shares on the Catalist not being prohibited by any statute, order, rule, regulation, directive, notice or guideline promulgated or issued after the date of the relevant Conditional Capitalisation Deed by any legislative, executive or regulatory body or authority of the Republic of Singapore (including without limitation, SGX-ST, the Monetary Authority of Singapore and/or the Securities Industry Council of Singapore) or elsewhere which is applicable to the Company.

An additional listing application will be made, through the Sponsor, to SGX-ST for permission for the listing and quotation of the Capitalisation Shares on the Catalist, and the Company will make the necessary announcement upon receipt of the listing and quotation notice from SGX-ST. The listing and quotation notice for the Capitalisation Shares, if issued by SGX-ST, is not to be taken as an indication of the merits of the Proposed Capitalisation, the Company, the Shares and the Capitalisation Shares.

## **2.5 Shareholders' Approval under Chapters 8 and 9 of the Catalist Rules**

### **2.5.1 Specific Approval from Shareholders**

Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules provide, *inter alia*, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Catalist Rules.

The ZYH Capitalisation Shares, the CJG Capitalisation Shares and the Sponsor Capitalisation Shares will not be issued pursuant to a general mandate and the Company is seeking specific Shareholders' approval for the Proposed ZYH Loan Capitalisation, the Proposed Partial Acquisition Consideration Capitalisation and the Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation.

### **2.5.2 Placement to Restricted Persons**

Rules 804 of the Catalist Rules provides, *inter alia*, that except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or Associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment.

Rules 812(1) and (2) of the Catalist Rules further provide that an issue must not be placed to, *inter alia*, the issuer's directors, Substantial Shareholders and the Immediate Family members of the directors and Substantial Shareholders, unless specific shareholders' approval is



obtained for such placement.

Dr. Zhang Jian is the Chairman and an executive director of the Company. He also holds an aggregate 14.81% shareholding interest in the Company as at the Latest Practicable Date, and is, therefore, a Substantial Shareholder of the Company.

Ms. Zhang Yulei is the daughter of Dr. Zhang Jian.

Accordingly, each of Dr. Zhang Jian and Ms. Zhang Yulei is a person within the restrictions of Rules 804 and 812(1) of the Catalist Rules, and specific Shareholders' approval is required for the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation.

### 2.5.3 **Transfer of a Controlling Interest**

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of its shareholders in general meeting. Under the Catalist Rules, a Controlling Shareholder is a person who directly or indirectly holds 15.0% or more of the nominal amount of all voting shares in the Company, or a person who in fact exercises control over the Company.

The allotment and issuance of the ZJ Capitalisation Shares will increase Dr. Zhang Jian's shareholding in the Company from 14.81% to 22.82% following the completion of the Proposed Capitalisation, resulting in Dr. Zhang Jian becoming a Controlling Shareholder of the Company after the completion of the Proposed Capitalisation. Accordingly, the Proposed ZJ Loan Capitalisation will constitute a transfer of a controlling interest in the Company and is subject to Shareholders' approval.

### 2.5.4 **Interested Person Transactions**

Under Chapter 9 of the Catalist Rules, where a listed company or any of its Subsidiaries or Associated Companies which is an "entity at risk" (as defined in the Catalist Rules) proposes to enter into a transaction which is an "interested person transaction" (as defined below) with the listed company's "interested persons" (as defined in the Catalist Rules), shareholders' approval and/or an immediate announcement is required in respect of that transaction if its value is equal to or exceeds certain financial thresholds set out in Chapter 9 of the Catalist Rules.

Pursuant to Rule 906 of the Catalist Rules, the approval of Independent Shareholders (in addition to an immediate announcement) is required where:

- (a) the value of such transaction is equal to or exceeds 5.0% of the Group's latest audited NTA; or
- (b) the value of such transaction, when aggregated with the value of other transactions entered into with the same interested person during the same financial year, equals to or exceeds 5.0% of the Group's latest audited NTA (such aggregation need not include any transaction that has been approved by Shareholders previously or is the subject of aggregation with another transaction that has been previously approved by Shareholders).

Based on the audited consolidated financial statements of the Group for the financial year ended 2022, the Group's latest audited NTA as of 31 December 2022 was approximately S\$1,107,000. The Proposed ZJ Loan Capitalisation represents approximately 91.87% of the Group's latest audited NTA, and the Proposed ZYL Loan Capitalisation represents approximately 45.17% of the Group's latest audited NTA.

As each of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation constitutes an interested person transaction under Chapter 9 of the Catalist Rules and will each exceed 5.0% of the Group's latest audited NTA, it is subject to the approval of Independent Shareholders in accordance with Rule 906(1)(a) of the Catalist Rules.

### 2.5.5 Shareholder's Approval

For the reasons set out in paragraphs 2.5.1, 2.5.2, 2.5.3 and 2.5.4 above, Shareholders' approval is sought for the Proposed Capitalisation and the Proposed Transfer of Controlling Interest at the EGM. Please refer to paragraph 13.1 of this Circular on details relating to abstention from voting.

### 2.6 Potential Dilution Effect

The Capitalisation Shares will constitute approximately 24.86% of the Enlarged Share Capital. The Proposed Capitalisation will result in Dr. Zhang Jian holding approximately 22.82% of the Enlarged Share Capital and Dr. Zhang Jian and his Associates holding 28.57% of the Enlarged Share Capital following the completion of the Proposed Capitalisation.

Illustrative details of the resultant shareholdings are set out below:

#### As at the Latest Practicable Date

Shareholder	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest (Number of Shares)	% of Total Issued Shares
Dr. Zhang Jian	138,331,000	-	138,331,000	14.81
Zhao Xin	13,773,000	-	13,773,000	1.47
Public float <sup>(1)</sup>	781,698,074	-	781,698,074	83.72

#### After the Proposed Capitalisation

Shareholder	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest (Number of Shares)	% of Enlarged Share Capital
Dr. Zhang Jian	283,616,714	-	283,616,714	22.82
Zhao Xin	13,773,000	-	13,773,000	1.11
Zhang Yulei	71,428,571	-	71,428,571	5.75
Public float <sup>(1)</sup>	873,949,646	-	873,949,646	70.32

**Note:**

- (1) The "public", as defined under the Catalist Rules, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its Subsidiaries, as well as the associates of such aforementioned persons.

### 3. RATIONALE FOR THE PROPOSED CAPITALISATION

Spearheaded by AJJ and Quest Asia, each a Subsidiary of the Company, the Group has emerged as innovators in Singapore's healthcare industry. Focused on various medical devices and complemented by cutting-edge digital, artificial intelligence ("AI") and robotic solutions, the Group has managed to build a robust product portfolio comprising over 6,000 products, and has managed to establish strategic partnerships with more than 35 global manufacturers, thus boosting its market influence as well as the flexibility of its supply chain.

The Board anticipates that 2024 will be a pivotal year for the Group in terms of expansion of the Group's influence in Singapore's healthcare industry and exploring new opportunities in Southeast Asia. The Group also intends to strengthen collaborations with global healthcare technology innovators to align with Singapore's national strategy of providing technologically advanced and cost-effective solutions enabled by AI. In addition, the Group is committed to enhancing its environmental, social and governance initiatives by investing in sustainable technologies and practices. With the foregoing plans, the Group plans to position itself at the forefront of innovation in the healthcare industry.

The Proposed Capitalisation facilitates the repayment of the Outstanding Amounts. This will reduce the debt burden and overall gearing of the Group without adversely affecting its operating cash flow. Further, this will strengthen the Group's financial position and capital base, thereby increasing the Company's NAV per Share and enhancing Shareholders' equity.

Based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023, and assuming that the Capitalisation Shares are issued at the Capitalisation Price, the Company's NAV per Share will improve from 0.02 cents to 0.20 cents.

With the strengthening of its balance sheet, the Group will be in a better position to negotiate for more favourable financing terms from financial institutions in respect of any funding requirements which may be required to achieve the objectives of the Group as described above. An improved balance sheet may also help the Company attract new investments to further its plans.

#### 4. FINANCIAL EFFECTS OF THE PROPOSED CAPITALISATION

For illustrative purposes only and based on (a) the audited consolidated financial statements of the Company as of and for the financial year ended 31 December 2022 ("FY2022"), and (b) the unaudited consolidated financial statements of the Company as of and for the six months period ended 30 June 2023 ("6M2023"), the financial effects of the Proposed Capitalisation on the Group are set out below.

The analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group after completion of the Proposed Capitalisation.

##### 4.1 Share Capital

The effects of the Proposed Capitalisation on the share capital of the Company as of 31 December 2022 and 30 June 2023, respectively, are as follows:

	No. of Shares as of 31 December 2022	Share Capital (S\$'000) as of 31 December 2022	No. of Shares as of 30 June 2023	Share Capital (S\$'000) as of 30 June 2023

Existing issued and paid-up share capital	933,802,074	42,745	933,802,074	42,745
Issuance of Capitalisation Shares pursuant to the Proposed Capitalisation	29,571,428	207	233,199,164	1,632
Enlarged issued and paid-up share capital after the Proposed Capitalisation	963,373,502	42,952	1,167,001,238	44,377

#### 4.2 NAV per Share

For illustrative purposes only, the financial effects of the Proposed Capitalisation on the NAV of the Group, assuming that the Proposed Capitalisation had been completed on 31 December 2022 and 30 June 2023 respectively, are as follows:

	NAV per Share (cents) as of 31 December 2022	NAV per Share (cents) as of 30 June 2023
Before adjusting for the Proposed Capitalisation	0.12	0.02
After adjusting for the Proposed Capitalisation	0.14	0.20

#### 4.3 EPS

For illustrative purposes only, the financial effects of the Proposed Capitalisation on the EPS of the Group, assuming that the Proposed Capitalisation had been completed at the beginning of FY2022 and 6M2023 respectively, are as follows:

	Basic EPS (cents) for FY2022	Diluted EPS (cents) for FY2022	Basic EPS (cents) for 6M2023	Diluted EPS (cents) for 6M2023
Before adjusting for the Proposed Capitalisation	(0.45)	(0.45)	(0.12)	(0.12)
After adjusting for the Proposed Capitalisation	(0.44)	(0.44)	(0.09)	(0.09)

#### 4.4 Gearing

For illustrative purposes only, the financial effects of the Proposed Capitalisation on the gearing of the Group, assuming that the Proposed Capitalisation had been completed on 31 December 2022 and 30 June 2023 respectively, are as follows:

	<b>Net Debt (S\$'000) as of 31 December 2022</b>	<b>Total Equity (S\$'000) as of 31 December 2022</b>	<b>Gearing<sup>(1)</sup> (times) as of 31 December 2022</b>	<b>Net Debt (S\$'000) as of 30 June 2023</b>	<b>Total Equity (S\$'000) as of 30 June 2023</b>	<b>Gearing<sup>(1)</sup> (times) as of 31 June 2023</b>
Before adjusting for the Proposed Capitalisation	1,761	1,196	1.47	3,463	82	42.23
After adjusting for the Proposed Capitalisation	1,554	1,333 <sup>(2)</sup>	1.17	1,827	1,718 <sup>(2)</sup>	1.06

**Notes:**

- (1) Gearing means the ratio of net debt to equity attributable to the owners of the parent. Net debt means the aggregate amount of liabilities arising from banks and financial institutions, shareholder loans, trade and other payables and other liabilities, less cash and cash equivalents.
- (2) Computed based on (a) equity attributable to the owners of the Company as of 31 December 2022, adjusted for the Proposed Capitalisation, and (b) equity attributable to the owners of the Company as of 30 June 2023, adjusted for the Proposed Capitalisation, respectively.

## 5. SHAREHOLDING EFFECTS OF THE PROPOSED CAPITALISATION

The shareholding structure of the Directors and Substantial Shareholders of the Company before the Proposed Capitalisation is set out in paragraph 11 of this Circular.

As an illustration of the changes to the shareholding structure of the Company after the Proposed Capitalisation, the table of shareholding information set out below has been prepared purely for illustration only based on the following basis and assumptions:

- (a) the issue of an aggregate of 308,965,857 Capitalisation Shares to Dr. Zhang Jian, Ms. Zhang Yulei, Mr. Zhang Yunhai, Mr. Chua June Gay and the Sponsor at the Capitalisation Price of S\$0.007; and
- (b) assuming that no Awards are made under the Plan.

	<b>After the Proposed Capitalisation</b>			
	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
<b>Directors</b>				
Dr. Zhang Jian	283,616,714	22.82	-	-
Zhao Xin	13,773,000	1.11	-	-
Paul Tan Lye Heng	-	-	-	-
Chong Eng Wee	-	-	-	-
Dr. Toh Lim Kai	-	-	-	-

**Substantial Shareholders (other than Directors)**

DBS Nominees Pte. Ltd.	73,505,754	5.91	-	-
<b>Other Shareholders</b>	871,872,463	70.16		
<b>Total</b>	<b>1,242,767,931</b>	<b>100.00</b>		

**6. IFA OPINION**

ZICO Capital Pte. Ltd. has been appointed as the IFA to advise the Independent Directors in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as interested person transactions.

A copy of the IFA Letter from the IFA to the Independent Directors setting out its opinion and advice, is reproduced in full in Appendix A to this Circular.

The following is an extract from Section 6 of the IFA Letter and should be read by Shareholders in conjunction with, and in the full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

"In arriving at our opinion in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as an IPTs, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) rationale for the Proposed Capitalisation which includes the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs;
- (b) assessment of the financial terms of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs;
- (c) dilution impact on the Independent Shareholders arising from the Proposed Capitalisation which includes the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs; and
- (d) other relevant considerations.

**Overall, based on our analysis and after having considered carefully the information available to us, we are of the view that the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders."**

**Shareholders are advised to read and consider the IFA Letter in its entirety as reproduced in Appendix A to this Circular and consider carefully the recommendations of the Independent Directors for the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation set out in paragraph 12.1 of this Circular.**

**7. AUDIT COMMITTEE'S OPINION**

Having considered, *inter alia*, the terms of the ZJ Conditional Capitalisation Deed, the ZYL

Conditional Capitalisation Deed, the financial effects and rationale for the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, as well as the advice of the IFA as set out in the IFA Letter, the Audit Committee is of the view that the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation (including the proposed allotment and issuance of the ZJ Capitalisation Shares and the ZYL Capitalisation Shares to Dr. Zhang Jian and Ms. Zhang Yulei, respectively), as interested person transactions, are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders.

The Audit Committee further recommends any individual Shareholder who may require specific advice to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser and strongly advises Shareholders to read this Circular and the IFA Letter in their entirety carefully.

## **8. PROPOSED CHANGE OF NAME**

### **8.1 Background**

As announced on 12 February 2020 (SGXNet Announcement No. SG2002120THROOGK), the Company intends to seek Shareholders' approval at the EGM to change the name of the Company to one which is reflective of the new businesses of the Group following the diversification of the Group's business into the following:

- (a) early childhood childcare and health education business; and
- (b) investment into projects and companies in the healthcare industry.

Shareholders are advised to refer to the aforementioned announcement released by the Company on SGXNet for further information on the diversification of the Group's business.

### **8.2 Rationale for Change of Name**

The Board is proposing to change the name of the Company from "OEL (Holdings) Limited" to "AJJ Medtech Holdings Limited". The proposed change reflects the transformation and achievements of AJJ, through which the Group's core business is undertaken. Over the past three years, AJJ has and/or is evolving from a consumables supplier to a provider of comprehensive turn-key supply chain solutions and digital, AI and robotics solutions for its partners and customers. This evolution has helped AJJ improve its market presence, visibility and recognition in the healthcare sector, supported by a strong foundation and fast expansion. AJJ has developed into a brand that represents prospects, capability and service excellence. The proposed change of the Company's name to "AJJ Medtech Holdings Limited" is a strategic move to accurately reflect the Group's true capabilities and service excellence in key areas of the medical technology domain.

The Proposed Change of Name will enable the Company to leverage on the brand and goodwill of AJJ, allowing the public and the Company's business partners to better identify with the Company going forward based on the Group's current business plans and direction.

### **8.3 Approvals**

The Company had, on 3 January 2024, submitted an application to ACRA to reserve the name "AJJ Medtech Holdings Limited". On 5 January 2024, ACRA approved the Company's application for the change of name to "AJJ Medtech Holdings Limited", and such name has been reserved for a period of 120 days until 4 May 2024, following which the reservation will have to be extended. The Proposed Change of Name is subject to Shareholders' approval by

way of a special resolution at the EGM, pursuant to Section 28 of the Companies Act. Subject to the passing of the special resolution at the EGM, the Company will, as soon as reasonably practicable after the EGM, lodge the requisite notifications with ACRA. The Company will adopt "AJJ Medtech Holdings Limited" as its new name with effect from the issue of the Certificate of Incorporation on Change of Name of Company by ACRA. The name "AJJ Medtech Holdings Limited" shall replace all references to "OEL (Holdings) Limited" in the Constitution thereafter. The Company will release an announcement via SGXNet to notify Shareholders when the Proposed Change of Name takes effect. Shareholders should note that the change of the Company's name, if effected, will not affect (a) the identity or legal status of the Company, (b) any of the rights or obligations of the Company, (c) any of the rights of Shareholders, or (d) the Group's day-to-day business operations and financial position.

#### **8.4 Existing Share Certificates**

Shareholders should note that notwithstanding the change of the Company's name, the Company will not recall existing share certificates bearing the current name of the Company and such share certificates will continue to be *prima facie* evidence of legal title to the Company's shares. No further action is required on the part of Shareholders in respect of their existing share certificates.

### **9. PROPOSED ADOPTION OF THE PLAN**

#### **9.1 Introduction**

The Company is proposing to adopt a new share incentive scheme, namely, the AJJ Performance Share Plan 2024. The Company does not have any existing share incentive scheme.

An additional listing application will be made by the Sponsor to SGX-ST for permission to deal in and for the listing and quotation of the new PSP Shares to be issued upon the vesting of an award granted to a participant under the Plan. An announcement will be made by the Company upon receipt of the listing and quotation notice from SGX-ST to notify Shareholders of the receipt of such notice and the conditions on which the grant of such notice by SGX-ST is subject to. The listing and quotation notice for the PSP Shares, if issued by SGX-ST, is not to be taken as an indication of the merits of the Proposed Adoption of the Plan, the Company, the Shares and the PSP Shares.

#### **9.2 Rationale**

##### **9.2.1 General**

The Plan is a share incentive scheme, which is proposed on the basis that it is important to retain Employees whose contributions are essential to the long-term growth, success and development of the Group, and to give recognition to outstanding Employees who have contributed to the growth, success and development of the Group. The Plan will also enable grants of fully paid Shares to be made to Group Non-Executive Directors as part of their remuneration in respect of their office as such *in lieu* of cash or, where the Administration Committee deems appropriate, to give recognition to the contributions made or to be made by Group Non-Executive Directors to the growth, success and development of the Group.

The objectives of the Plan are:

- (a) to provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of



the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;

- (b) to motivate Participants to strive towards optimum performance standards and efficiency and to maintain a high level of contribution to the Group;
- (c) to retain key Employees whose contributions are essential to the long-term growth, success and development of the Group and to attract top talent in the relevant industries;
- (d) to give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package;
- (e) to attract potential employees with relevant skills to contribute to the Group and create value for the Shareholders;
- (f) to align the interests of Employees and Group Non-Executive Directors with the interests of the Shareholders; and
- (g) to allow the Group to offer Employees and Group Non-Executive Directors, as well as prospective employees and directors, competitive remuneration packages through a combination of cash and equity.

#### 9.2.2 Participation by Group Non-Executive Directors

The extension of the Plan to Group Non-Executive Directors allows the Company to have a fair and equitable system that recognises and benefits not only persons who are in the direct employment of the Group but also persons who are not employed but nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the long-term growth, success and development of the Group. Although the Group Non-Executive Directors are not involved in the day-to-day running of the Group, they are nonetheless well-placed to:

- (a) provide valuable support, input, business contacts as well as strategic business alliances and opportunities;
- (b) assist the Company with observing proper corporate governance, thereby safeguarding minority Shareholders' rights and interests; and/or
- (c) contribute their experience, knowledge and expertise to the Group.

By granting the Company the ability to supplement the current cash-based remuneration of a fixed amount per annum by way of director's fees to the Group Non-Executive Directors for their services, the Company will be able to remain competitive in the total remuneration of the Group Non-Executive Directors when other listed companies also offer share options to their Group Non-Executive Directors. This will help the Company attract and retain high quality non-executive directors who will be beneficial to the Group's long-term growth, success and development. However, as the services and contributions from the Group Non-Executive Directors cannot be compared to those of the full-time employees of the Group, any Awards granted to the Group Non-Executive Directors would be intended as a token of the Company's appreciation. As such, the grant of such Awards will comprise of only a relatively small percentage of the total Awards that would be granted to Participants of the Plan, being principally, the Employees. In addition, by including Group Non-Executive Directors in the Plan, the Company will be given the flexibility to consider, in the future, compensating Group Non-Executive Directors for their services in cash or share awards. Before granting any Awards to

a Group Non-Executive Director, the Administration Committee will take into consideration, *inter alia*, such Group Non-Executive Director's performance and contributions to the growth, success and development of the Group.

The number of Shares available to Group Non-Executive Directors under the Plan shall not exceed 10.0% of the Shares available under the Plan.

It is not the intention of the Board that Group Non-Executive Directors who are also the independent directors of the Company to be over-compensated under the Plan to the extent that their independence will be compromised. Notwithstanding the eligibility of independent directors of the Company to participate in the Plan, the Board (excluding the independent directors of the Company) is of the view that the participation of the independent directors of the Company in the Plan will not compromise their independence for the following reasons:

- (a) the independent directors of the Company will continue to be remunerated for their services by way of Directors' fees payable in cash and the participation of the independent directors of the Company in the Plan and any grant of Awards thereunder is in addition to the Directors' fees payable in cash to the independent directors of the Company;
- (b) each independent director of the Company will abstain from voting as a member of the Administration Committee, when the grant of Awards to him is being considered; and
- (c) it is not the intention of the Board that independent directors of the Company be granted Awards of significant sizes such that such grant could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Group.

Accordingly, the Board is of the view that the Plan will not compromise the objectivity and independence of the independent directors of the Company.

### 9.2.3 Participation by Controlling Shareholders of their Company and their Associates

Controlling Shareholders of the Company and their Associates who meet the eligibility criteria set out in paragraph 9.3.1 of this Circular shall be eligible to participate in the Plan, provided that the participation of and the terms of each grant and the actual number of Awards granted under the Plan to a person who is a Controlling Shareholder of the Company or his Associate shall be approved by independent Shareholders in a separate resolution for each such person, with such separate resolution including approval for the actual number and terms of Awards to be granted to that person. Such Controlling Shareholders of the Company and their Associates shall abstain from voting on the resolution in relation to their participation in the Plan and grant of Awards to them.

It is the intention of the Company that Controlling Shareholders of the Company and their Associates who are Employees should be remunerated for their contribution to the Group on the same basis as other Employees. Although Controlling Shareholders of the Company and their Associates already have (and in the case of such Associates, may already have) shareholding interests in the Company, the extension of the Plan to allow Controlling Shareholders of the Company and their Associates to participate in the Plan will ensure that they are equally entitled, with other Employees from this plan of remuneration. The Plan is intended to be part of a plan of remuneration for Employees. The Company is of the view that (a) Employees who are Controlling Shareholders of the Company or Associates of Controlling Shareholders of the Company should not be discriminated against by reason only of their shareholding in the Company; and (b) the extension of the Plan to Controlling Shareholders of the Company and their Associates will enhance the long-term commitment of the Employees

who are also Controlling Shareholders of the Company and their Associates to the Company.

### 9.3 Summary of the Rules of the Plan

The rules of the Plan are set out in **Appendix B** to this Circular.

The following is a summary of the rules of the Plan and should be read by Shareholders in conjunction with, and in the full context of, the full text of the rules of the Plan set out in **Appendix B** to this Circular.

#### 9.3.1 Eligibility

A person shall be eligible to participate in the Plan, at the absolute discretion of the Administration Committee, provided that at the Award Date such person must:

- (a) be a full-time or part-time employee whose employment with the Group has been confirmed;
- (b) have attained the age of 21 years; and
- (c) not be an undischarged bankrupt and must not have entered into a composition with his creditors.

A Group Non-Executive Director shall be eligible to participate in the Plan, at the absolute discretion of the Administration Committee, provided that such person satisfies the eligibility requirements in (b) and (c) above.

As described above, Controlling Shareholders and their Associates who meet the eligibility criteria in above shall be eligible to participate in the Plan.

For the purposes of determining eligibility to participate in the Plan, the secondment of an Employee to another Group Company shall not be regarded as a break in his employment or his having ceased by reason only of such secondment.

There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by the Company or any other Group Company.

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

#### 9.3.2 Grant of Awards

Subject to the Plan and the Catalist Rules, the Administration Committee may grant Awards to Employees and/or Group Non-Executive Directors (in each case, as the Administration Committee may select in its absolute discretion) at any time during the period when the Plan is in force.

In the case of a Performance-related Award, the Performance Condition will be determined by the Administration Committee in its discretion, taking into account the objective of setting incremental performance targets or benchmarks which are in line with the objectives of the Group, as well as criteria such as the past and current performance, number of years of service, market conditions, scope of work and responsibilities of such Participant and any other qualitative factors.

The eligibility of Participants to participate in the Plan, the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan and the Vesting Period shall be determined at the absolute discretion of the Administration Committee, which shall take into account such criteria as it considers fit, including, but not limited to:

- (a) the financial performance of the Group;
- (b) in the case of an Award to be granted to an Employee, the difficulty with which the Performance Condition(s) may be achieved within the Performance Period, his designation, job responsibilities, job performance, year(s) of service, potential for future development, and his contribution to the growth, success and development of the Group; and
- (c) in the case of a Group Non-Executive Director, year(s) of service, his board and board committee appointments and attendance, and his contributions to the growth, success and development of the Group.

### 9.3.3 Lapse of Awards

An Award shall, to the extent not yet Released, immediately lapse and cease to have any effect (without any claim whatsoever against the Group, the Directors and any employee of the Group) upon the occurrence of any of the following events:

- (a) a Participant, being an Employee, ceasing to be in the employment of the Group for any reason whatsoever;
- (b) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award;
- (c) a Participant commits any breach of any term of his Award;
- (d) misconduct on the part of a Participant as determined by the Administration Committee in its absolute discretion;
- (e) a take-over, winding-up or reconstruction of the Company;
- (f) an order is made or a resolution is passed for the winding-up of the Company on the basis, or by reason, of its insolvency; or
- (g) any other event approved by the Administration Committee.

For the purpose of (a) above, a Participant shall be deemed to have ceased to be in the employment of the Group on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, such Participant has (with the consent of the relevant Group Company) withdrawn such notice.

The Administration Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other rules of the Plan. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in the rule relating to the lapsing of an Award.

### 9.3.4 Review of Performance Condition(s) in relation to Awards

In relation to each Performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Administration Committee shall review the Performance Condition(s) specified in respect of that Award and determine:

- (a) whether it (they) has (have) been satisfied and, if so, the extent to which it (they) has (have) been satisfied; and
- (b) the number of Shares (if any) comprised in that Award to be Released to the relevant Participant.

The Administration Committee shall have the discretion to determine whether the Performance Condition(s) has (have) been satisfied (whether fully or partially) or exceeded and in making any such determination, the Administration Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Administration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

#### 9.3.5 Vesting of Award

Subject to:

- (a) (in relation to a Performance-related Award) the Administration Committee having determined that the Performance Condition(s) has (have) been satisfied;
- (b) the relevant Participant (being an Employee or a Group Non-Executive Director) having continued to be an Employee or a Group Non-Executive Director, as the case may be, from the Award Date up to the end of the relevant Vesting Period (if any);
- (c) the Administration Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;
- (d) such consents (including any approvals required by SGX-ST) as may be necessary having been obtained;
- (e) compliance with the terms of the Award, the Plan and the Constitution;
- (f) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (g) where Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on SGX-ST,

upon the expiry of each Vesting Period in relation to an Award (if any), the Company shall Release to the relevant Participant the relevant number of Shares to which his Award relates on the relevant Vesting Date(s).

Shares which are the subject of a Released Award shall be Vested to a Participant on the relevant Vesting Date(s), which shall be a Market Day falling as soon as practicable after the Release of such Award and, on the relevant Vesting Date(s), the Administration Committee will procure the issue or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares and to the extent permitted by law, include Shares held by the Company as treasury shares) so determined. For the avoidance of doubt, no Shares shall be

issued pursuant to the Release of an Award if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares.

#### 9.3.6 Release of Awards

Shares which are to be issued or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of either:

- (a) the securities account of that Participant maintained with CDP;
- (b) the securities sub-account of that Participant maintained with a Depository Agent; or
- (c) the CPF investment account of that Participant maintained with a CPF agent bank,

in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.

#### 9.3.7 Rights of Shares

Shares which are allotted and issued, or existing Shares procured by the Company on behalf of the Participants for transfer, upon the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

#### 9.3.8 Cash Awards

The Administration Committee, in its absolute discretion, may determine to make a Release of an Award (other than an Award granted to a Group Non-Executive Director as part of his directors' remuneration *in lieu* of cash), wholly or partly, in the form of cash rather than Shares which would otherwise have been allotted and issued to the Participant upon the Release of an Award on the relevant Vesting Date(s), in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, *in lieu* of all or part of such Shares, the aggregate Market Value of such Shares on such Vesting Date.

#### 9.3.9 Limitation on Size of the Plan

The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the Plan on any date, when added to the number of Shares issued and issuable and/or transferred and transferrable in respect of all Awards granted under the Plan, and all options and awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 20.0% of the number of all issued Shares (excluding treasury shares, as defined in the Companies Act) on the day preceding that date.

As at the Latest Practicable Date, the Company does not have other share-based incentive schemes.

The aggregate number of Shares available to Controlling Shareholders and their Associates under the Plan shall not exceed 25.0% of the Shares available under the Plan.

The number of Shares available to each Controlling Shareholder or his Associate under the Plan shall not exceed 10.0% of the Shares available under the Plan.

As described above, the number of Shares available to Group Non-Executive Directors under the Plan shall not exceed 10.0% of the Shares available under the Plan.

Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Administration Committee under the Plan.

#### 9.3.10 Adjustment Events

If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, bonus or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Administration Committee may, in its absolute discretion, determine whether:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted and if so, the manner in which such adjustments should be made, provided that the rights of a Participant will be changed to the extent necessary to comply with the Catalyst Rules that apply at the time of the event, including the Catalyst Rules that apply to a reorganisation of capital at that time.

Unless the Administration Committee considers an adjustment to be appropriate:

- (a) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; and
- (b) any adjustment (except in relation to a bonus or capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable.

#### 9.3.11 Administration of the Plan

The Plan shall be administered by the Administration Committee and in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Administration Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.

The Administration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan as it may, in its absolute discretion, think fit.

#### 9.3.12 Modifications to the Plan

Any or all the provisions of the Plan may be amended and/or modified at any time and from



time to time by resolution of the Administration Committee, in its absolute discretion, except that:

- (a) no amendment or modification shall adversely alter the rights attached to any Award granted prior to such amendment or modification except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would become entitled to not less than 75.0% of the Shares which would fall to be Vested upon Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;
- (b) any amendment or modification which would be to the advantage of the Participants shall be subject to the prior approval of Shareholders in general meeting;
- (c) no amendment or modification shall be made without the prior approval of SGX-ST and such other regulatory authorities as may be necessary; and
- (d) no modifications and/or alterations shall be made if, as a result, the Participant receives a benefit that a Shareholder does not receive.

#### 9.3.13 Duration of the Plan

The Plan shall continue to be in force at the discretion of the Administration Committee, subject to a maximum period of 10 years commencing on the Commencement Date, provided always that, subject to compliance with the Catalist Rules or any other applicable laws, the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

#### 9.3.14 Disclosures in annual report

The following disclosures or appropriate negative statements (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation and for so long as such disclosures are required to be made by the Catalist Rules or any other applicable laws:

- (a) the names of the members of the Administration Committee;
- (b) in respect of the following Participants, the information in the table set out below:
  - (i) Participants who are Directors;
  - (ii) Participants who are Controlling Shareholders and their Associates; and
  - (iii) Participants, other than those in paragraphs (i) and (ii) above, who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent 5.0% or more of the total number of Shares available under the Plan,

the following information:



Name of the Participant	Aggregate number of Shares comprised in Awards granted under the Plan during the year of review (including terms)	Aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to end of the financial year under review	Aggregate number of Shares comprised in Awards granted under the Plan which have been Released since the commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards granted under the Plan which have not been Released as at the end of the financial year under review

- (c) in relation to the Plan, the following particulars:
- (d) the aggregate number of Shares comprised in Awards granted since the commencement of the Plan to the end of the financial year under review;
- (e) the aggregate number of Shares comprised in Awards which have Vested during the financial year under review and in respect of such Awards, the proportion of:
  - (i) Shares issued; and
  - (ii) where applicable, existing Shares purchased, including the range of prices at which such Shares have been purchased, upon the Vesting of Released Awards; and
- (f) the aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review; and
- (g) such other information as may be required by the Catalist Rules or the Companies Act.

#### 9.4 Shareholders' Approval for the Proposed Adoption of the Plan

Pursuant to Rule 842(3) of the Catalist Rules, the approval of an issuer's shareholders must be obtained for any share option scheme or share scheme implemented by the issuer. Accordingly, the Board proposes to seek Shareholders' approval at the EGM for the Proposed Adoption of the Plan. Please refer to paragraph 13.2 of this Circular for details relating to abstention from voting.

#### 9.5 Financial Effects of the Plan

##### 9.5.1 Share Capital

The Plan will result in an increase in the number of issued Shares to the extent that new Shares are allotted and issued upon the Vesting of the Awards. The number of new Shares arising will in turn depend on, *inter alia*, the number of Shares comprised in the Awards granted and the number of Shares in respect of which such Awards are Vested. There would be no impact on the number of issued Shares if the relevant Awards are not Vested.

In any case, assuming that only new Shares are allotted and issued pursuant to the Vesting of the Awards, the Plan provides that the aggregate number of Shares which may be issued and/or

transferred pursuant to Awards granted under the Plan on any date, when added to the number of Shares issued and issuable and/or transferred and transferrable in respect of all Awards granted under the Plan, and all options and awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 25.0% of the number of all issued Shares (excluding treasury shares, as defined in the Companies Act) on the day preceding that date. If, instead of issuing new Shares to Participants, existing Shares are purchased or Shares held in treasury are used for delivery to Participants, the Plan would have no impact on the number of issued Shares.

#### 9.5.2 NTA

The issue of new Shares upon the Vesting of the Awards will not have an impact on the NTA of the Group.

If instead of issuing new Shares to Participants, existing Shares are purchased or Shares held in treasury are used for delivery to Participants, the NTA of the Group will be impacted by the cost of the Shares purchased or Shares in treasury used, respectively.

#### 9.5.3 EPS

The Plan is likely to have a dilutive impact on the Group's EPS if new Shares are issued upon the Vesting of the Awards, resulting in an increase in the number of issued Shares. The Plan will also result in an expense recognised over the vesting period of the Awards in accordance with Singapore Financial Reporting Standards (International) 2 Share-based Payment ("**SFRS(I) 2**"). Please refer to paragraph 9.5.4 below for further understanding of the impact on the Company's EPS arising from the Plan after SFRS(I) 2.

#### 9.5.4 Potential Cost of Awards

The Plan is considered a share-based payment that falls under the scope of SFRS(I) 2. Participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the consolidated income statement over the Vesting Period of an Award. The total amount of charge to be recognised over the Vesting Period is determined by reference to the fair value of each Award granted on the date of grant and the number of Shares Vested at the Vesting Date, with a corresponding credit to reserve account. Before the end of the Vesting Period, at each accounting year end, the estimate of the number of Awards that are expected to Vest by the Vesting Date is revised, and the impact of the revised estimate is recognised in the consolidated income statement with a corresponding adjustment to the reserve account over the remaining Vesting Period. After the Vesting Date, no adjustment to the charge to the consolidated income statement is made.

The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the date of grant, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per share of the Awards granted at the date of grant is used to compute the amount charged to the income statement at each financial year ended, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to Vest.

In the event that Participants have the right to receive the market price of the Shares in cash *in lieu* of the allotment or transfer of Shares upon the release of an Award, the Company shall measure the fair value of the liability as a cash-settled share-based payment transaction. Until the liability is settled, the Company shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the statement of profit or loss.

#### 9.5.5 Dilutive Impact

Shareholders' shareholding percentages and the resultant EPS and NTA per Share will be diluted accordingly as a result of the issue of new Shares for delivery of Shares under the Plan (please refer to paragraphs 9.5.2 and 9.5.3 above).

As mentioned in paragraph 9.5.1 above, assuming that only new Shares are allotted and issued under the Plan, the aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the Plan on any date, when added to the number of Shares issued and issuable and/or transferred and transferrable in respect of all Awards granted under the Plan, and all options and awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force shall not exceed 25.0% of the number of all issued Shares (excluding treasury shares, as defined in the Companies Act) on the day preceding that date. Unless extended with the approval of Shareholders and such other regulatory approvals as may then be required and subject to any applicable laws and regulations governing such extension, the Plan will have a 10-year duration from its date of adoption, and Awards may only be granted during such term.

## 10. PROPOSED ZYL PARTICIPATION AND PROPOSED GRANT OF THE ZYL AWARD

### 10.1 Rationale for the Proposed ZYL Participation

Ms. Zhang Yulei is currently the Chief Strategy Officer of the Company and is responsible for formulating strategic plans, monitoring markets, fostering innovation and aligning goals and resources for the Group.

Ms. Zhang Yulei has been pivotal in establishing the Group's strategy of becoming an integrated medical technology solutions provider. The strategies and initiatives driven by Ms. Zhang Yulei prioritise both growth and resilience of the Group by optimising operational efficiencies and embracing technological advancements. High-growth areas like digital transformation, AI and robotics have enabled the company to become a stand-out player in the Singapore healthcare market.

Since Ms. Zhang Yulei joined the Group, it has undergone rapid transformation from a simple consumables manufacturer and supplier to an integrated medical technology solutions provider, and Ms. Zhang Yulei has been pivotal in the process. Ms. Zhang Yulei has contributed significantly to the seamless integration and coordination across various departments, and has helped facilitate effective communication, decision-making and execution of transformative initiatives. These synergies have accelerated the pace of transformation and enhanced organisational resilience and future sustainability. Ms. Zhang Yulei has, through her efforts, helped the Group to successfully integrate technologies which are key to the Group's transformation. These include digital transformation, AI and robotics. The continued development and deployment of these advanced technologies would be critical to the growth, success and development of the Group.

The Board (other than Dr. Zhang Jian) is of the view that extending participation in the Plan to Ms. Zhang Yulei will enable the Company to remunerate Ms. Zhang Yulei not just through cash

bonuses, but also through an equity stake in the Company, thereby:

- (a) motivating her to maintain optimum performance standards and efficiency, as well as a high level of contribution to the Group; and
- (b) incentivising her to continue to contribute to the long-term growth, success and development of the Group.

## 10.2 Proposed Grant of the ZYL Award

For the reasons set out in paragraph 10.1 of this Circular and to reward Ms. Yulei for her past contributions and services, subject to the approval of the Independent Shareholders at the EGM, the Company proposes to grant the ZYL Award on the following terms:

Number of PSP Shares	: Up to 16,000,000
Date of grant of the ZYL Award	: within two months from the date of the EGM
Vesting period of the ZYL Award	: 100.0% of the shares vest on the date of the grant

In determining the number of PSP Shares to be awarded under the ZYL Award, the Administration Committee has taken into consideration, *inter alia*, the following:

- (a) Ms. Zhang Yulei's prevailing remuneration package, which is approximately half of her last-drawn salary prior to joining to the Group;
- (b) due to the tight cash flows of the Group, Ms. Zhang Yulei has been paid approximately half of the salaries owed by the Company to her, with the remaining half still owing as of the Latest Practicable Date; and
- (c) Ms. Zhang Yulei's current position as well as responsibilities and contributions to the Group.

As the ZYL Award aims to recognise past contributions and services (instead of future performance) of Ms. Zhang Yulei to the Group, in the event Independent Shareholders approve the Proposed Grant of the ZYL Award, the PSP Shares to be awarded under the ZYL Award will be immediately allotted and issued to Ms. Zhang Yulei.

The aggregate number of PSP Shares to be awarded under the ZYL Award, when added to the number of Shares issued or issuable in respect of such other Shares issued and/or issuable under other share-based incentive schemes of the Company, does not exceed 10.0% of the PSP Shares available under the Plan. Further, the value of the ZYL Award is less than the salaries that remain owing by the Company to Ms. Zhang Yulei as at the Latest Practicable Date. In view of the foregoing, the Administration Committee believes that the ZYL Award is fair and not excessive. Other than the ZYL Award, the Company does not intend to grant any other Award to Participants who are Controlling Shareholders of the Company or their Associates.

Following the allotment and issuance of the ZYL Capitalisation Shares and the PSP Shares pursuant to the Proposed Grant of the ZYL Award, Ms. Zhang will hold a total of 87,428,571 Shares.

## 10.3 Independent Shareholders' Approval

Ms. Zhang Yulei is the daughter of Dr. Zhang Jian, a Controlling Shareholder of the Company,

and is, accordingly, an Associate of a Controlling Shareholder of the Company. The Proposed ZYL Participation and Proposed Grant of the ZYL Award are therefore subject to approval by the Independent Shareholders by a separate resolution. Please refer to paragraph 13.2 of this Circular for details relating to abstention from voting.

#### 10.4 Potential Cost of the ZYL Award

Please refer to paragraph 9.5.4 of this Circular for details on the potential cost of the Awards to the Company, which are applicable to the ZYL Award.

### 11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### 11.1 Interests in the Company

The interests of the Directors and Substantial Shareholders in the capital of the Company as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
<b>Directors</b>				
Dr. Zhang Jian	138,331,000	14.81	-	-
Zhao Xin	13,773,000	1.47	-	-
Paul Tan Lye Heng	-	-	-	-
Chong Eng Wee	-	-	-	-
Dr. Toh Lim Kai	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>				
DBS Nominees Pte. Ltd.	73,505,754	7.87	-	-

#### 11.2 Interests in the Proposed Capitalisation and the Proposed Transfer of Controlling Interest

Dr. Zhang Jian is deemed to be interested in the proposed allotment and issuance of the ZJ Capitalisation Shares to Dr. Zhang Jian (and the consequent transfer of a controlling interest to Dr. Zhang Jian) and the ZYL Capitalisation Shares to Ms. Zhang Yulei.

Save as disclosed above, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Capitalisation and the Proposed Transfer of Controlling Interest other than through their respective shareholdings in the Company as disclosed in paragraph 11.1 of this Circular.

#### 11.3 Interests in the Proposed Change of Name

None of the Directors or the Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Change of Name.

#### 11.4 Interests in the Proposed Adoption of the Plan

The Directors are deemed to be interested in the Proposed Adoption of the Plan.

Save as disclosed above, none of the Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Adoption of the Plan other than through their respective shareholdings in the Company as disclosed in paragraph 11.1 of this Circular.

#### **11.5 Interests in the Proposed ZYL Participation and Proposed Grant of the ZYL Award**

Dr. Zhang Jian and Ms. Zhang Yulei (after the completion of the Proposed ZYL Loan Capitalisation) are deemed to be interested in the proposed participating by Ms. Zhang Yulei in the Plan and the proposed allotment and issuance of the PSP Shares to be awarded under the ZYL Award to Ms. Zhang Yulei.

Save as disclosed above, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed ZYL Participation and Proposed Grant of the ZYL Award other than through their respective shareholdings in the Company as disclosed in paragraph 11.1 of this Circular.

### **12. DIRECTORS' RECOMMENDATION**

#### **12.1 The Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation**

The Independent Directors, having considered, *inter alia*, the rationale for and information relating to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation and the advice of the IFA as set out in the IFA Letter, are of the view that the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation (including the proposed allotment and issuance of the ZJ Capitalisation Shares and ZYL Capitalisation Shares to Dr. Zhang Jian and Ms. Zhang Yulei, respectively) are in the interests of the Company, and that the same is transacted on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders. Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of Ordinary Resolutions 1 and 3.

#### **12.2 The Proposed Transfer of Controlling Interest**

The Independent Directors, having considered, *inter alia*, the rationale for and information relating to the Proposed Transfer of Controlling Interest, are of the view that the Proposed Transfer of Controlling Interest are in the interests of the Company, and that the same is transacted on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders. Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of Ordinary Resolution 2.

#### **12.3 The Proposed ZYH Loan Capitalisation, the Proposed Partial Acquisition Consideration Capitalisation and the Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation**

The Directors, having considered, *inter alia*, the rationale for and information relating to the Proposed ZYH Loan Capitalisation, the Proposed Partial Acquisition Consideration Capitalisation and the Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation (including the proposed allotment and issuance of the ZYH Capitalisation Shares, the CJG Capitalisation Shares and the Capitalisation Shares to Mr. Zhang Yunhai, Mr. Chua June Gay and the Sponsor, respectively), are of the view that the Proposed ZYH Loan Capitalisation, the Proposed Partial Acquisition Consideration Capitalisation and the Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation are in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolutions 4, 5 and 6.

#### **12.4 The Proposed Change of Name**

The Directors, having considered, *inter alia*, the rationale for and information relating to the Proposed Change of Name, are of the opinion that the Proposed Change of Name is in the best interest of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Special Resolution.

#### **12.5 The Proposed Adoption of the Plan**

The Directors (other than Dr. Zhang Jian), having considered, *inter alia*, the rationale for and information relating to the Proposed Adoption of the Plan, are of the view that the Proposed Adoption of the Plan is in the interests of the Company. Accordingly, the Directors (other than Dr. Zhang Jian) recommend that Shareholders vote in favour of Ordinary Resolution 7.

#### **12.6 The Proposed ZYL Participation and the Proposed Grant of the ZYL Award**

The Directors (other than Dr. Zhang Jian), having considered, *inter alia*, the rationale for and information relating to the Proposed ZYL Participation and the Proposed Grant of the ZYL Award, are of the view that the Proposed ZYL Participation and the Proposed Grant of the ZYL Award are in the interests of the Company. Accordingly, the Independent Directors recommend that Shareholders vote in favour of Ordinary Resolutions 8 and 9.

### **13. ABSTENTION FROM VOTING**

#### **13.1 The Proposed ZJ Loan Capitalisation, the Proposed ZYL Loan Capitalisation and the Proposed Transfer of Controlling Interest**

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of its shareholders in general meeting.

Rule 804 of the Catalist Rules provide, *inter alia*, that a Director and his Associates must abstain from exercising any voting rights on any Shareholders' resolution relating to the participation by such Director and/or his Associates directly or indirectly in an issue of equity securities or convertible securities by the Company.

Rules 812(1) and (2) of the Catalist Rules further provide that, *inter alia*, the following persons must abstain from voting on any Shareholders' resolution approving a placement of Shares to such following persons:

- (a) Directors and Substantial Shareholders of the Company; and
- (b) Immediate Family members of the Directors and Substantial Shareholders of the Company.

Rule 919 of the Catalist Rules provides that in a meeting to obtain shareholder approval, the interested person and any Associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

As stated in paragraph 2.5.2 of this Circular, Dr. Zhang Jian is the Chairman and an executive director of the Company. He also holds an aggregate 14.81% shareholding interest in the Company as at the Latest Practicable Date, and is, therefore, a Substantial Shareholder of the Company. The allotment and issuance of the ZJ Capitalisation Shares will increase Dr. Zhang Jian's shareholding in the Company from 14.81% to 22.82% following the completion of the Proposed Capitalisation, resulting in Dr. Zhang Jian becoming a Controlling Shareholder of the Company after the completion of the Proposed Capitalisation.



Ms. Zhang Yulei is the daughter of Dr. Zhang Jian.

Accordingly, Dr. Zhang Jian and his Associates shall abstain from voting on Ordinary Resolutions 1, 2 and 3. He shall also decline to accept appointment as proxies for any Shareholder to vote in respect of each of the said resolutions unless specific instructions as to voting are given.

The Company will disregard any votes cast on Ordinary Resolutions 1, 2 and 3 by Dr. Zhang Jian and his Associates.

### **13.2 The Proposed ZYH Loan Capitalisation, the Proposed Partial Acquisition Consideration Capitalisation and the Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation**

No Shareholder is required to abstain from voting on Ordinary Resolutions 4, 5 and 6.

### **13.3 The Proposed Adoption of the Plan**

Pursuant to Rule 858 of the Catalist Rules, Shareholders who are eligible to participate in the Plan must abstain from voting on any resolution relating to the Plan (other than a resolution relating to the participation of, or grant of options to, directors and employees of the Company's parent company and its subsidiaries) ("**Eligible Shareholders**").

Accordingly, Eligible Shareholders shall abstain from voting on Ordinary Resolution 7 and shall not accept appointments as proxies unless specific instructions as to voting are given.

Dr. Zhang Jian and his Associates shall abstain from voting on Ordinary Resolution 7. He shall also decline to accept appointment as proxies for any Shareholder to vote in respect of each of the said resolutions unless specific instructions as to voting are given.

The Company will disregard any votes cast on Ordinary Resolution 7 by Eligible Shareholders (including Dr. Zhang Jian and his Associates) in accordance with Rule 858 of the Catalist Rules.

### **13.4 The Proposed ZYL Participation and the Proposed Grant of the ZYL Award**

Pursuant to Rule 852 of the Catalist Rules, participation in the Plan by Controlling Shareholders of the Company and their Associates must be approved by independent shareholders of the Company. A separate resolution must be passed for each person and to approve the actual number and terms of Awards to be granted to that Participant.

Dr. Zhang Jian and his Associates shall abstain from voting on Ordinary Resolutions 8 and 9. He shall also decline to accept appointment as proxies for any Shareholder to vote in respect of each of the said resolutions unless specific instructions as to voting are given.

The Company will disregard any votes cast on Ordinary Resolutions 8 and 9 by Dr. Zhang Jian and his Associates in accordance with Rule 852 of the Catalist Rules.

## **14. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages N-1 to N-7 of this Circular, will be held at 8 Commonwealth Lane, #02-04, Grande Building, Singapore 149555 on 6 February 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM.



Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against or abstain from voting in respect of the Special Resolution and the Ordinary Resolutions set out in the Notice of EGM.

**15. 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 Proposed Transactions, 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 this 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 this Circular in its proper form and context.

**16. CONSENT**

ZICO Capital Pte. Ltd., as the IFA in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as interested person transactions, has given and has not withdrawn its written consent to (a) the issue of this Circular with the inclusion of its name, the IFA Letter set out in Appendix A to this Circular which was prepared for the purpose of incorporation in this Circular, and all references thereto, in the form and context in which they are included in this Circular, (b) make the IFA Letter available for inspection at the registered office of the Company; and (c) to act in such capacity in relation to this Circular.

**17. DOCUMENTS AVAILABLE 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 of this Circular up to and including the date of the EGM:

- (a) the Constitution;
- (b) the annual report of the Company for FY2022;
- (c) each Conditional Capitalisation Deed;
- (d) the IFA Letter;
- (e) the letter of consent from the IFA referred to in paragraph 16 of this Circular; and
- (f) the rules of the Plan.

**18. ACTION TO BE TAKEN BY SHAREHOLDERS**

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he/it should complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's polling agent, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01, Republic Plaza Tower I, Singapore 048619, or emailed to: [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com), not less than 48 hours before the time appointed for the holding of the EGM, being 10.00 a.m. on 4 February 2024. The completion and return of the

proxy form by a Shareholder will not prevent him/it from attending and voting at the EGM in person in place of their proxy if he/it so wishes, and in such a case, the appointment of the proxy or proxies shall be revoked. A proxy need not be a Shareholder.

A Depositor shall not be regarded as a Shareholder and his/its Proxy Form may be rejected by the Company unless he/it is shown to have Shares entered against his/its name in the Depository Register, as certified by the CDP to the Company as at 72 hours before the EGM.

Yours faithfully

For and on behalf of the Board of Directors of  
**OEL (Holdings) Limited**

Zhao Xin  
Chief Executive Officer and Executive Director

## APPENDIX A

### LETTER FROM ZICO CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF OEL (HOLDINGS) LIMITED

10 January 2024

**OEL (Holdings) Limited**

8 Commonwealth Lane  
#02-04 Grande Building  
Singapore 149555

To: The Directors of OEL (Holdings) Limited  
(who are considered independent in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation) (the "**Independent Directors**")

Ms. Zhao Xin (CEO and Executive Director)  
Mr. Paul Tan Lye Heng (Independent Non-Executive Director)  
Mr. Chong Eng Wee (Independent Non-Executive Director)  
Dr. Toh Lim Kai (Independent Non-Executive Director)

Dear Sirs/Madam,

#### THE PROPOSED ZJ LOAN CAPITALISATION AND THE PROPOSED ZYL LOAN CAPITALISATION AS INTERESTED PERSON TRANSACTIONS

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders (the "**Shareholders**") of the Company dated 10 January 2024 (the "**Circular**").*

#### 1. INTRODUCTION

1.1 On 8 January 2024 (the "**Announcement Date**"), OEL (Holdings) Limited (the "**Company**", and together with its subsidiaries, the "**Group**") announced that it had on 8 January 2024 entered into, *inter alia*, conditional capitalisation deeds with (i) Dr. Zhang Jian, the Chairman and Executive Director of the Company and (ii) Ms. Zhang Yulei, the Chief Strategy Officer of the Company and the daughter of Dr. Zhang Jian, pursuant to which the Company agreed, subject to and upon the terms and conditions set out therein respectively, to capitalise (i) the outstanding interest-free loan from Dr. Zhang Jian to the Company amounting to S\$1,017,000 (the "**ZJ Loan Outstanding Amount**") as at the date of the conditional capitalisation deed (the "**ZJ Conditional Capitalisation Deed**") via the allotment and issuance of 145,285,714 new Shares (the "**ZJ Capitalisation Shares**") (the "**Proposed ZJ Loan Capitalisation**") and (ii) the entire interest-free loan from Ms. Zhang Yulei to the Company amounting to S\$500,000 (the "**ZYL Loan**") as at the date of the conditional capitalisation deed (the "**ZYL Conditional Capitalisation Deed**") via the allotment and issuance of 71,428,571 new Shares (the "**ZYL Capitalisation Shares**") (the "**Proposed ZYL Loan Capitalisation**"), at S\$0.007 per new Share (the "**Capitalisation Price**"), credited as fully paid-up and free from any Encumbrance, in full repayment and discharge of the ZJ Loan Outstanding Amount and ZYL Loan, respectively.

The Company had, in the same announcement, announced that it had separately entered into (i) a conditional novation and capitalisation deed on 8 January 2024 with Mr. Zhang Yunhai; (ii)

a conditional assignment and capitalisation deed on 8 January 2024 with Mr. Chua June Gay; and (iii) a conditional capitalisation deed on 8 January 2024 with Evolve Capital Advisory Private Limited, to capitalise (i) the novated loan from Mr. Zhang Yunhai via the allotment and issuance of 58,037,143 new Shares (the "**Proposed ZYH Loan Capitalisation**"); (ii) the novated partial acquisition consideration payable to Mr. Chua June Gay via the allotment and issuance of 28,571,429 new Shares (the "**Proposed CJG Capitalisation**"); and (iii) half of the outstanding professional fees for services related to continuing sponsorship services from Evolve Capital Advisory Private Limited (the "**Sponsor**") via the allotment and issuance of 5,643,000 new Shares (the "**Proposed Sponsor Fees Capitalisation**"), respectively. The Proposed ZJ Loan Capitalisation, the Proposed ZYL Loan Capitalisation, the Proposed ZYH Loan Capitalisation, the Proposed CJG Capitalisation and the Proposed Sponsor Fees Capitalisation are collectively referred to as the "**Proposed Capitalisation**". The Proposed Capitalisation, among others, are subject to, approval from the Shareholders or the Independent Shareholders (as defined herein), as the case may be, at the extraordinary general meeting to be held on 6 February 2024 (the "**EGM**"). Please refer to Section 2 of the Circular for further details on the Proposed Capitalisation.

The ordinary resolutions in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation are inter-conditional on each other. However, each of the aforementioned resolutions are not inter-conditional on the rest of the resolutions set out in the Notice of EGM.

Please refer to Section 3.2 of this IFA Letter for details on the changes in the share capital of the Company arising from the Proposed Capitalisation.

- 1.2** Dr. Zhang Jian and his associate, Ms. Zhang Yulei (the "**Interested Persons**"), are considered interested persons pursuant to Chapter 9 of the Catalist Rules, and the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation will constitute interested person transactions ("**IPTs**").

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022, the Group's latest audited net tangible assets ("**NTA**") as at 31 December 2022 was approximately S\$1,107,000. The Proposed ZJ Loan Capitalisation of S\$1,017,000 represents approximately 91.9% of the Group's latest audited NTA, and the Proposed ZYL Loan Capitalisation of S\$500,000 represents approximately 45.2% of the Group's latest audited NTA. As each of the value of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation exceeds 5.0% of the latest audited NTA of the Group, they are subject to the approval of the Shareholders who are considered independent of the aforementioned IPTs (the "**Independent Shareholders**"). For the purposes of the Circular, the Independent Shareholders are Shareholders of the Company, other than Dr. Zhang Jian and his associates.

In connection with thereof, the Company has appointed ZICO Capital Pte. Ltd. ("**ZICO Capital**") as the independent financial adviser (the "**IFA**") pursuant to Rule 921(4)(a) of the Catalist Rules as well as to advise the Independent Directors in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs.

This letter (the "**IFA Letter**") sets out, *inter alia*, our evaluation and opinion on the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs, and forms part of the Circular which provides, *inter alia*, details of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, as well as the recommendation of the Independent Directors in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs.

## 2. TERMS OF REFERENCE

ZICO Capital has been appointed as IFA pursuant to Rule 921(4)(a) of the Catalist Rules as well as to advise the Independent Directors in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs. We were not involved in or responsible for, any aspect of the discussions pertaining to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation or any other transactions contemplated under the Proposed Capitalisation, nor were we involved in the deliberations leading up to the decision on the part of the Independent Directors to propose the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation or to obtain the approval of the Independent Shareholders for the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, and we do not, by this IFA Letter, warrant the merits of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, other than to express an opinion on whether the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation or to compare their relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comments. Such evaluation or comments, if any, remains the responsibility of the Directors and/or the management of the Company ("**Management**") although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

In the course of our evaluation, we have held discussions with the Directors, the Management and/or their professional advisers (where applicable) and have examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or the professional advisers (where applicable). Whilst care has been exercised in reviewing the information which we have relied upon, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation have been reasonably made after due and careful enquiry. We have nevertheless made such reasonable enquiries and exercised judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations. We would like to highlight that all information relating to the Company and the Group which we have relied upon in arriving at our opinion has been obtained from publicly available information and/or from the Directors and the Management and the professional advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company or the Group at any time or as at the Latest Practicable Date.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition or position of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed ZJ Loan Capitalisation

and the Proposed ZYL Loan Capitalisation. Such review or comments, if any, remain the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter. We have not obtained from the Company and/or the Group, any projection of future performance including financial performance of the Company and/or the Group, and we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view as to the prices at which the shares of the Company may trade or the future value, financial performance, position or condition of the Company and/or the Group, upon or after the completion of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation.

The Directors have confirmed that, having made all reasonable enquiries and to the best of their respective knowledge and belief, information and representations provided to us by the Company are accurate. They have also confirmed that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation or appraisal.

Our opinion as set out in this IFA Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement, including those relevant to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as well as the remaining transactions contemplated under the Proposed Capitalisation, which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As each Shareholder may have different investment objectives and profiles, we recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no view, whether express or implied, on the contents of the Circular (other than this IFA Letter and the extract of our opinion in the Circular).

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes, other than for the purpose of the EGM and for the purpose of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs, at any time and in any manner without the prior written consent of ZICO Capital.

We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Catalist Rules as well as to the Independent Directors for their benefit and for the purpose of their consideration of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs. The recommendation to be made to the Independent Shareholders in relation to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation shall remain the responsibility of the Independent Directors.

**Our opinion in relation to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs should be considered in the context of the entirety of this IFA Letter and the Circular.**

### **3. KEY INFORMATION ON THE COMPANY AND THE GROUP**

#### **3.1 Overview**

The Company is incorporated in Singapore and listed on the Catalist board of the SGX-ST. The Group is primarily engaged in provision of childcare wellness education services, and selling and distribution of healthcare products.

The principal activities of the Company's subsidiaries are:

- (i) Investment holding and management consultancy services for healthcare organisations;
- (ii) Hospital products management, medical technology, biotechnology, technology development and health management consulting; and
- (iii) Conduct research and development of medical technologies, manufacture and repair of irradiation and electromedical devices such as HIFU machines and other medical equipment.

As at the Latest Practicable Date, the Directors are:

- (i) Dr. Zhang Jian (Chairman and Executive Director);
- (ii) Ms. Zhao Xin (CEO and Executive Director);
- (iii) Mr. Paul Tan Lye Heng (Independent Non-Executive Director);
- (iv) Mr. Chong Eng Wee (Independent Non-Executive Director); and
- (v) Dr. Toh Lim Kai (Independent Non-Executive Director);

As at the Latest Practicable Date, Dr. Zhang Jian and Ms. Zhang Yulei hold approximately (i) 14.8% and (ii) nil shareholding interest in the Company respectively.

Dr. Zhang Jian will abstain from voting and making any recommendation to Shareholders in relation to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, and his associates will abstain from voting on the ordinary resolutions in relation thereto at the EGM.

#### **3.2 Changes in issued share capital of the Company**

As at the Latest Practicable Date, the issued share capital of the Company comprises 933,802,074 Shares.

Upon the completion of the Proposed Capitalisation, the issued share capital of the Company will increase to 1,242,767,931 Shares, and the aggregate shareholding interest of Dr. Zhang Jian and his associate (being Ms. Zhang Yulei) in the Company will increase from 14.8% to 28.6%.

The Proposed Capitalisation will involve the allotment and issuance of new Shares to the following parties:

	As at Latest Practicable Date		Immediately after the Proposed Capitalisation	
	Number of Shares	% of Total Issued Shares (%)	Number of Shares	% of Total Issued Shares (%)
Dr. Zhang Jian	138,331,000	14.8	283,616,714	22.8
Ms. Zhang Yulei	-	-	71,428,571	5.7
Mr. Zhang Yunhai	-	-	58,037,143	4.7
Mr. Chua June Gay	-	-	28,571,429	2.3
Sponsor	-	-	5,643,000	0.5

As at the Latest Practicable Date, the Company does not hold any treasury shares, and the Company has no outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares or securities which carry voting rights in the Company.

### 3.3 Financial performance of the Group

We set out below the summary financial results of the Group for the last three financial years ended 31 December 2020 ("FY2020"), 31 December 2021 ("FY2021") and 31 December 2022 ("FY2022"), and the latest interim financial results for the six-month financial period ended 30 June 2023 ("1H2023") and the corresponding period for the preceding financial year ("1H2022").

S\$'000 (unless otherwise stated)	FY2020 <sup>(1)</sup> Audited	FY2021 Audited	FY2022 Audited	1H2022 <sup>(2)</sup> Unaudited	1H2023 Unaudited
Revenue	683	319	779	251	547
Loss from continuing operations, net of tax	(2,804)	(1,733)	(4,241)	(2,070)	(1,142)
(loss)/profit from discontinued operations, net of tax	-	-	-	(158)	31
(loss) for the year/period	(2,804)	(1,733)	(4,241)	(2,228)	(1,111)
Attributable to:					
equity holders of the Company	(2,771)	(1,696)	(4,241)	(2,228)	(1,111)
non-controlling interests	(33)	(37)	-	-	-

Source: Company's annual reports for FY2021 and FY2022, and interim financial results announcement for 1H2023

#### Notes:

- (1) Comparative information was restated due to the retrospective adjustment to the provisional goodwill recognised as of the date of acquisition of a former subsidiary, Discovery Kidz Preschool Pte. Ltd. ("DKP"). DKP was subsequently disposed on 23 June 2023.
- (2) Comparative consolidated statement of comprehensive income was re-presented to show the discontinued operation separately from continuing operations. DKP was disposed of on 23 June 2023.

#### FY2021 vs FY2020

Revenue decreased by approximately S\$0.4 million or 53.3%, primarily due to disposal of leasehold building in February 2021, which resulted in the decrease in rental income generated from the leasehold building.



Loss attributable to equity holders of the Company decreased by approximately S\$1.1 million or 38.8%, primarily due to (i) increase in other operating income mainly due to the gain on sale of leasehold building of S\$1.9 million; and (ii) decrease in other operating expenses of S\$1.1 million mainly due to the absence of depreciation charge incurred for the leasehold building in FY2021, following the reclassification of such asset to "Asset held for sale" in FY2020, partially offset by (i) increase in selling and distribution expenses of S\$1.2 million as a result of expansion of the new healthcare business in FY2021. Such increase was mainly due to an increase in employees' salaries and employees' costs for products registration; and (ii) increase in administrative expenses of S\$0.6 million mainly due to an increase in depreciation of S\$0.3 million, increase in professional and legal fees incurred for business expansion of S\$0.1 million and increase in directors' fees of S\$0.1 million.

#### FY2022 vs FY2021

Revenue increased by approximately S\$0.5 million or 144.2%, primarily due to due to higher revenue generated by the Group's healthcare products and services segment under the Company's subsidiary, AJJ Healthcare Management Pte. Ltd..

Loss attributable to equity holders of the Company increased by approximately S\$2.5 million or 150.1%, primarily due to (i) decrease in other operating income of S\$2.3 million mainly due to the absence of gain on sale of leasehold building of S\$1.9 million; (ii) increase in administrative expenses of S\$0.7 million mainly due to the increase in operating expenses of the Group's healthcare products and services segment which was in line with the increase in revenue in such segment; and (iii) increase in other operating expenses of S\$0.3 million mainly due to one-off impairment loss of goodwill of S\$0.3 million.

#### 1H2023 vs 1H2022

Revenue increased by approximately S\$0.3 million or 117.9%, to S\$0.5 million, primarily due to the increase in sale of medical healthcare products and services of S\$0.3 million.

Loss attributable to equity holders of the Company decreased by approximately S\$1.1 million or 50.1%, primarily due to (i) increase in revenue of S\$0.3 million mainly due to increase in sale of medical healthcare products and services; and (ii) decrease in selling and distribution expenses, and administrative expenses of S\$0.8 million mainly due to decrease in employee benefit expenses following the Group's efforts to optimise the Group's employee headcount by improving productivity to enable more efficient use of its resources.

### **3.4 Financial position of the Group**

A summary of the statement of financial position of the Group as at 30 June 2023 based on the Company's latest interim results announcement for 1H2023 is set out below:

<b>S\$'000 (unless otherwise stated)</b>	<b>30 June 2023 Unaudited</b>
Current assets	2,914
Non-current assets	1,352
Total assets	4,266
Current liabilities	2,903
Non-current liabilities	1,167
Total liabilities	4,070
Net assets	196

Equity attributable to owners of the Company	82
Non-controlling interests	114
<b>Total equity</b>	<b>196</b>
<hr/>	
Net asset value (" <b>NAV</b> ") of the Group attributable to owners of the Company	82
Number of issued Shares <sup>(1)</sup>	933,802,074
NAV per Share attributable to owners of the Company (in Singapore cents)	0.01
<hr/>	

Source: Company's interim results announcement for 1H2023

Note:

(1) Based on total number of 933,802,074 Shares of the Company as at the Latest Practicable Date.

Acquisition of 70% shareholding interests in Quest Asia Technologies Pte. Ltd. ("**QAT**")

The Group completed the acquisition of 70% shareholding interests in QAT on 7 August 2023 ("**QAT Acquisition**"). QAT is in the business of wholesale of medical, professional, scientific and precision diagnostic equipment with a goal to offer innovative products and solutions to healthcare professionals. QAT was a distributor of certain medical devices sold by the Group.

As at the Latest Practicable Date, the consideration payable by the Company in connection with the QAT Acquisition of S\$335,250 to Mr. Chua June Gay, one of the vendors in respect of the aforementioned acquisition, remains owing by the Company. S\$200,000 of the aforementioned outstanding consideration payable is proposed to be capitalised pursuant to the Proposed CJG Capitalisation.

The Company confirmed that the post-acquisition financials of QAT have been consolidated into the unaudited interim financial statements for the financial period ended 30 June 2023, as announced by the Company on 8 August 2023.

Assets

Total assets comprised mainly (i) current and non-current trade and other receivables, representing 35.7% of total assets; (ii) right-of-use assets, representing 19.8% of total assets, mainly relate to leased office premises; (iii) inventories, representing 19.5% of total assets, mainly relate to healthcare and medical equipment; (iv) cash and cash equivalents, representing 14.2% of total assets; and (v) property, plant and equipment, representing 8.5% of total assets.

Current assets increased by S\$1.5 million, from S\$1.4 million as at 31 December 2022 to S\$2.9 million as at 30 June 2023, mainly due to increases in cash and cash equivalents, as well as the increase in inventories and trade and other receivables arising from the acquisition of QAT.

Liabilities

Total liabilities comprised mainly (i) the ZJ Loan of S\$1.4 million, representing 34.4% of total liabilities; (ii) trade and other payables, representing 19.2% of total liabilities; (iii) current and non-current lease liabilities relating to right-of-use assets, representing 21.6% of total liabilities; and (iv) loan and borrowing pertaining to a two-year term loan from a director of a subsidiary of the Group which is due and payable in FY2024, representing 10.2% of total liabilities.

Following the completion of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, the ZJ Loan Outstanding Amount and the ZYL Loan will be capitalised and settled via the allotment and issuance of the ZJ Capitalisation Shares and the ZYL

Capitalisation Shares respectively. Key terms of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation are set out in Section 4 below.

The Group recorded negative net tangible assets attributable to owners of the Company of approximately S\$4,000 as at 30 June 2023.

### 3.5 Statement of cash flows of the Group

A summary of the statement of cash flows of the Group for 1H2023 based on the Company's latest interim results announcement is set out below:

<b>S\$'000</b>	<b>1H2023 Unaudited</b>
Net cash used in operating activities	(1,447)
Net cash generated from investing activities	374
Net cash generated from financing activities	1,510
<b>Net increase in cash and cash equivalents</b>	<b>437</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>607</b>

The Group recorded net cash used in operating activities of S\$1.5 million, mainly due to operating losses before working capital changes of S\$1.0 million and adjusted for working capital outflow of S\$0.4 million. Working capital outflow was mainly due to the increase in trade and other receivables of S\$0.8 million, partially offset by the increase in trade and other payables of S\$0.3 million.

The Group generated cash flows from investing activities of S\$0.4 million, mainly due to net proceeds of S\$0.2 million from the disposal of a subsidiary, and net cash from the acquisition of a subsidiary of S\$0.1 million.

The Group generated cash flows from financing activities of S\$1.5 million, mainly due to proceeds from the ZJ Loan of S\$1.4 million.

As a result of the above, the Group recorded net increase in cash and cash equivalents of S\$0.4 million in 1H2023, and a cash and cash equivalents balance of S\$0.6 million as at 30 June 2023.

#### *Material uncertainty related to going concern*

The auditors of the Company, PKF-CAP LLP ("**Auditors**"), had in the Company's independent auditor's report for the audited financial statements for the financial year ended 31 December 2022, highlighted that the Group reported a loss after tax of S\$4.2 million, and incurred net operating cash outflows of S\$3.2 million in FY2022. In addition, as at 31 December 2022, the Group and the Company had low cash and bank balances of S\$170,000 and S\$40,000 respectively. The Auditors highlighted that the aforementioned conditions, amongst others, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns. The Auditors' opinion is not modified in respect of this matter.

## 4. THE PROPOSED ZJ LOAN CAPITALISATION AND THE PROPOSED ZYL LOAN CAPITALISATION AS IPTS

### 4.1 Key terms of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan

## Capitalisation as IPTs

Details of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation are set out in Section 2 of the Circular. The salient terms of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation are set out below:

### Proposed ZJ Loan Capitalisation

<b>Lender</b>	Dr. Zhang Jian, Chairman and Executive Director
<b>ZJ Loan Outstanding Amount</b>	S\$1,017,000
<b>ZJ Capitalisation Shares</b>	145,285,714
<b>Capitalisation Price</b>	S\$0.007 for each ZJ Capitalisation Share
<b>Conditions precedent</b>	Please refer to Section 4.2 of this IFA Letter, and Section 2.4 of the Circular

### Proposed ZYL Loan Capitalisation

<b>Lender</b>	Ms. Zhang Yulei, Chief Strategy Officer and associate of Dr. Zhang Jian
<b>ZYL Loan</b>	S\$500,000
<b>ZYL Capitalisation Shares</b>	71,428,571
<b>Capitalisation Price</b>	S\$0.007 for each ZYL Capitalisation Share
<b>Conditions precedent</b>	Please refer to Section 4.2 of this IFA Letter, and Section 2.4 of the Circular

## 4.2 Conditions precedent

The Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, amongst others, are conditional upon the fulfilment of the various conditions precedent as set out in Section 2.4 of the Circular, including the following:

- (i) approval by Independent Shareholders (for the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation) having been obtained; and
- (ii) the listing and quotation notice being obtained from SGX-ST approving, *inter alia*, the listing and quotation of ZJ Capitalisation Shares and ZYL Capitalisation Shares on the Catalist.

An additional listing application will be made, through the Sponsor, to SGX-ST for permission for the listing and quotation of the allotment and issuance of new Shares arising from the Proposed Capitalisation (the "**Capitalisation Shares**") on the Catalist, and the Company and will make the necessary announcement upon receipt of the listing and quotation notice from SGX-ST. The listing and quotation notice for the Capitalisation Shares, if issued by SGX-ST, is not to be taken as an indication of the merits of the Proposed Capitalisation, the Company, the Shares and the Capitalisation Shares.

## 5. EVALUATION OF THE PROPOSED ZJ LOAN CAPITALISATION AND THE PROPOSED ZYL LOAN CAPITALISATION AS IPTS

In our evaluation of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs, we have given due consideration to, *inter alia*, the following key factors:

- (i) rationale for the Proposed Capitalisation which includes the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation;

- (ii) assessment of the financial terms of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation;
- (iii) dilution impact on the Independent Shareholders arising from the Proposed Capitalisation which includes the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation; and
- (iv) other relevant considerations.

## 5.1 Rationale for the Proposed Capitalisation which includes the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Capitalisation. Nevertheless, we have reviewed and extracted below, the Company's rationale for the Proposed Capitalisation as set out in Section 3 of the Circular.

*"The Proposed Capitalisation facilitates the repayment of the Outstanding Amounts. This will reduce the debt burden and overall gearing of the Group without adversely affecting its operating cash flow. Further, this will strengthen the Group's financial position and capital base, thereby increasing the Company's NAV per Share and enhancing Shareholders' equity.*

*Based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023, and assuming that the Capitalisation Shares are issued at the Capitalisation Price, the Company's NAV per Share will improve from 0.02 cents to 0.20 cents.*

*With the strengthening of its balance sheet, the Group will be in a better position to negotiate for more favourable financing terms from financial institutions in respect of any funding requirements which may be required to achieve the objectives of the Group as described above. An improved balance sheet may also help the Company attract new investments to further its plans."*

## 5.2 Assessment of the financial terms of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs

In assessing the Capitalisation Price, we have considered the following:

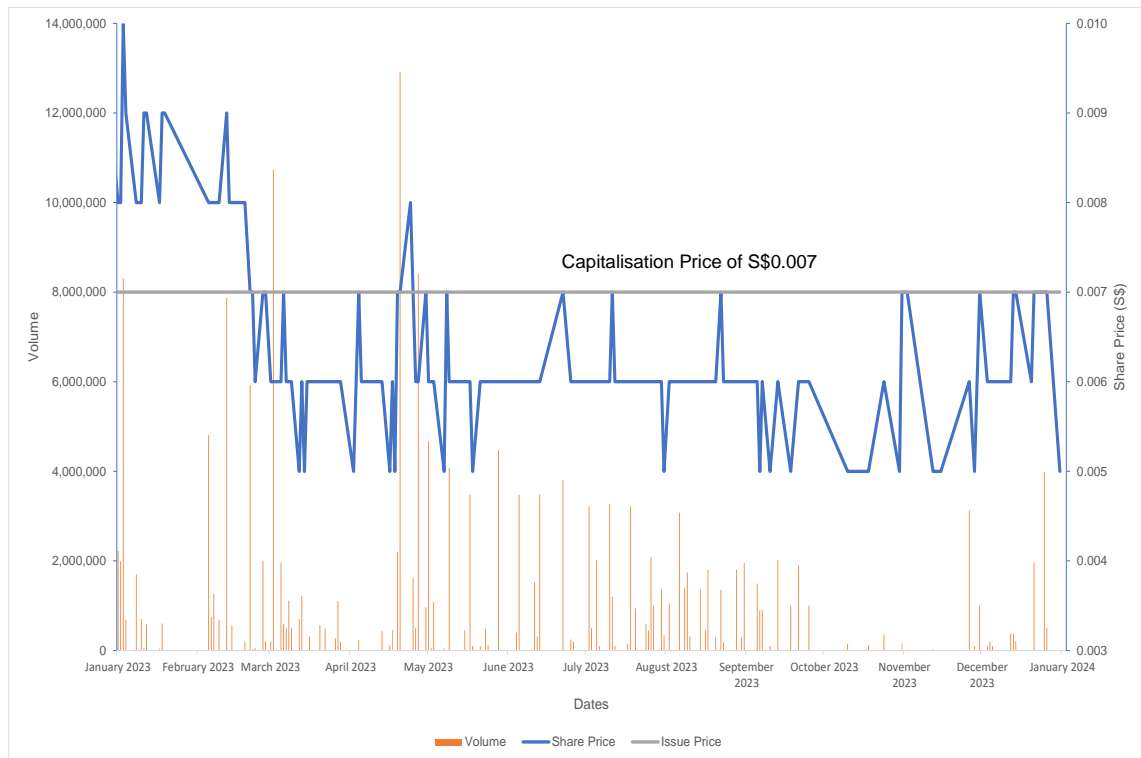
- (i) the historical trading performance and trading liquidity of the Shares; and
- (ii) the NAV and NTA positions of the Group;

### 5.2.1 Historical trading performance and trading liquidity of the Shares

On 8 January 2024, the Company announced the Proposed Capitalisation and the entry into the Conditional Capitalisation Deeds on SGXNet. The last full market day with trading volume, before the date on which the Conditional Capitalisation Deeds were entered into, was 3 January 2024 (the "**Last Trading Date**").

For the purpose of our analysis of the historical trading performance of the Shares *vis-à-vis* the Capitalisation Price, we have compared the Capitalisation Price against the historical market price performance of the Shares and also considered the historical trading volume of the Shares, for the 12-month period prior to the Last Trading Date, and up to and including the Latest Practicable Date (the "**Period Under Review**").

## Daily closing prices and trading volume of the Shares for the Period Under Review



Source: Bloomberg L.P.

From the chart above, we note the following:

- (i) the Shares were generally trading below the Capitalisation Price in the Period Under Review;
- (ii) the Shares closed between a low of S\$0.005 and a high of S\$0.010 in the Period Under Review. The Capitalisation Price represents a 40.0% premium to the lowest closing price and a 30.0% discount to the highest closing price in the Period Under Review; and
- (iii) the Company's closing Share price on the Last Trading Date was S\$0.007, which is similar to the Capitalisation Price; and
- (iv) for the period since the Last Trading Date and up to the Latest Practicable Date, the Shares only traded on the Latest Practicable Date. As at the Latest Practicable Date, the Shares were last transacted at S\$0.005.

In addition, we have set out below additional information on the volume-weighted average price ("VWAP"), trading liquidity, and other trading statistics of the Shares for the Period Under Review:

Reference Period	Highest Traded Price (S\$)	Lowest Traded Price (S\$)	VWAP <sup>(1)</sup> (S\$)	Premium of Capitalisation Price over VWAP (%)	No. of traded days <sup>(2)</sup>	Average daily trading volume <sup>(3)</sup> ('000)	Average daily trading volume as a percentage of free float <sup>(4)</sup> (%)
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<b><u>Prior to the Last Trading Date</u></b>							
Last 12 months	0.010	0.005	0.007	-	139	737	0.09

Last 6 months	0.007	0.005	0.006	16.7	60	473	0.06
Last 3 months	0.007	0.005	0.006	16.7	22	205	0.02
Last 1 month	0.007	0.005	0.006	16.7	12	574	0.07
As of 3 January 2024	0.007	0.006	0.006	16.7	1	510	0.06

**After the Last Trading Date and up to the Latest Practicable Date**

On 8 January 2024, being the only traded day<sup>(2)</sup> from 4 January 2024 (being the market day immediately after the Last Trading Date) up to and including the Latest Practicable Date

0.005	0.005	0.005	40.0	1	n.m. <sup>(5)</sup>	n.m. <sup>(5)</sup>
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Source: Bloomberg L.P.

**Notes:**

- (1) The VWAP for the respective periods are calculated based on the VWAP turnover divided by the VWAP volume, as extracted from Bloomberg L.P. VWAP turnover is computed based on the aggregate daily turnover value of the Shares and VWAP volume is computed based on the aggregate daily trading volume of the Shares for the respective periods.
- (2) Traded days refer to days on which the Shares were traded on the SGX-ST.
- (3) The average daily trading volume of the Shares was computed based on the total volume of the Shares traded on SGX-ST during the relevant periods, divided by the number of days when the SGX-ST was open for trading during the relevant periods.
- (4) Free float refers to the Shares other than those held by the Directors, Chief Executive Officer, substantial Shareholders, or controlling Shareholders of the Company or its subsidiary companies; and their respective associates (as defined in the Catalist Rules). For the purpose of computing the average daily trading volume as a percentage of free float, we have used a free float of 781,698,074 Shares or 83.7% of the issued Shares of the Company as at the Latest Practicable Date ("**Free Float**").
- (5) Not meaningful as the (i) average daily trading volume and (ii) average daily trading volume as a percentage of free float as at the Latest Practicable Date were (i) 100 Shares and (ii) 0.00001%, respectively.

From the table above, we note the following:

- (i) the Capitalisation Price is equivalent to the VWAP of the Shares for the 12-month period prior to the Last Trading Date, and represents premia of 16.7% to the VWAPs of the Shares for the 6-month, 3-month and 1-month period prior to the Last Trading Date respectively. The Capitalisation Price also represents a premium of 16.7% to the VWAP of the Shares on the Last Trading Date;
- (ii) the Capitalisation Price represents a premium of 40.0% to the closing price of the Shares on the Latest Practicable Date of S\$0.005, which is the only traded day from 4 January 2024 (being the market day immediately after the Last Trading Date) and up to the Latest Practicable Date;
- (iii) trading liquidity on the Shares was low with the average daily trading volume of the Shares being less than 0.09% of the Free Float for each of the aforementioned periods in the Period Under Review. The Shares had traded on 139 out of 250 days when the SGX-ST was opened for trading in the Period Under Review.

**5.2.2 NAV and NTA positions of the Group**

The NAV or NTA based approach in valuing a company or group is based on the aggregate

value of all the assets of the company in their existing condition, after deducting the sum of all liabilities and intangible assets (in the case of the NTA based approach) of the company and non-controlling interests. The NAV or NTA based approach shows the extent to which the value of each share is backed by the assets or tangible assets (in the case of the NTA based approach) and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets or tangible assets. The NAV or NTA based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets or tangible assets (excluding any intangible assets such as goodwill, trademarks and brand names, in the case of the NTA based approach) in an orderly manner over a reasonable period of time at the aggregate value of the assets or tangible assets (in the case of the NTA based approach) used in the computation of the NAV or NTA, the proceeds of which are used to settle the liabilities, non-controlling interests and other obligations of the company or group with the balance to be distributed to its shareholders. However, the NAV or NTA based approach does not consider the hypothetical sale of assets or tangible assets in a non-orderly manner or over a short period of time. It also does not illustrate the values of which assets or tangible assets may actually be realised or disposed of.

#### NAV of the Group

Based on the latest published unaudited financial statements of the Group for 1H2023, the NAV attributable to equity holders of the Company was S\$82,000 as at 30 June 2023. The NAV per Share attributable to equity holders of the Company as at 30 June 2023 was therefore approximately 0.01 Singapore cents, based on the issued share capital of 933,802,074 Shares as at the Latest Practicable Date.

The Capitalisation Price represents a substantial premium of 6,900% to the NAV per Share attributable to equity holders of the Company as at 30 June 2023.

It is not meaningful to assess the Capitalisation Price with the NAV approach in view of such substantial premium, which arose from a relatively low NAV attributable to equity holders of the Company of S\$82,000.

We note that the NAV attributable to equity holders of the Company as at 30 June 2023 of S\$82,000 was relatively low as compared to the loss attributable to equity holders for 1H2023 of S\$1.1 million. Any additional loss from continuing operations may adversely affect the Group, and its operations and financial position.

#### NTL of the Group

The Group is in a net tangible liability ("**NTL**") position attributable to owners of the Company as at 30 June 2023 of S\$4,000 (NTL per Share attributable to owners of the Company of 0.0004 Singapore cents, after considering intangible assets and goodwill of approximately S\$81,000 and S\$5,000 respectively).

Compared to the NTL per Share attributable to owners of the Company of 0.0004 Singapore cents, the Capitalisation Price is at a substantial dollar premium of 0.7 Singapore cents above the NTL per Share attributable to owners of the Company and hence is to the benefit of the Group. Computation of premium as a percentage is not meaningful in view of the negative NTA attributable to owners of the Company position of the Group as at 30 June 2023.

In our evaluation of the financial terms of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation, we have also considered whether there is any asset or liability which should be valued at an amount that is materially different from that which was recorded in the unaudited statement of financial position of the Group as at 30 June 2023, and whether there are any factors which have not been otherwise disclosed in the financial statements of the



Group that are likely to impact the NAV or NTL of the Group as at 30 June 2023.

In respect of the above, we have sought the following confirmation from the Directors and the Management, and they have confirmed to us that, as at the Latest Practicable Date, to the best of their knowledge and belief and save for (1) the NAV of QAT attributable to the Group's 70% interest having been included in the NAV or NTL position of the Group as at 30 June 2023; and (2) any potential future valuation of the Group's intangible assets which may impact the overall financial position of the Group, in which no such valuation works or asset appraisal have made or commenced as at the Latest Practicable Date:

- (i) there are no material differences between the realisable values of the Group's assets and liabilities, and their respective book values as at 30 June 2023 which would have a material impact on the NAV or NTL position of the Group;
- (ii) there are no contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV or NTL position of the Group as at the Latest Practicable Date;
- (iii) there is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;
- (iv) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group;
- (v) there are no material acquisitions or disposals of assets by the Group between 30 June 2023 and the Latest Practicable Date nor does the Group have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business; and
- (vi) there are no material changes to the accounting policies and methods of computation which may materially affect the NAV or NTL of the Group as at 30 June 2023.

### **5.3 Dilution impact arising from the Proposed Capitalisation (including the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs) on the minority Shareholders**

As at the Latest Practicable Date, the Interested Persons being, (i) Dr. Zhang Jian and (ii) his associate, Ms. Zhang Yulei, holds 138,331,000 Shares and nil Shares respectively, which collectively represents approximately 14.8% of the total number of Shares in issue.

The Capitalisation Shares, which arose from the Proposed ZJ Loan Capitalisation, the Proposed ZYL Loan Capitalisation, the Proposed ZYH Loan Capitalisation, the Proposed CJG Capitalisation and the Proposed Sponsor Fees Capitalisation, will constitute approximately 24.9% of the total enlarged issued share capital of the Company following the Proposed Capitalisation (the "**Enlarged Share Capital**"). The Proposed Capitalisation will result in Dr. Zhang Jian and Ms. Zhang Yulei holding approximately 22.8% and 5.8% of the Enlarged Share Capital, respectively, following completion of the Proposed Capitalisation. The allotment and issuance of the ZJ Capitalisation Shares will increase Dr. Zhang Jian's shareholding interest in the Company from 14.8% to 22.8% upon completion of the Proposed Capitalisation, resulting in Dr. Zhang Jian becoming a Controlling Shareholder of the Company.

The public Shareholders will have their aggregate shareholding interest diluted from 83.7% of the existing share capital of the Company to 70.3% of the Enlarged Share Capital after the Proposed Capitalisation.

After excluding new shareholders of the Company pursuant to the Proposed ZYH Loan Capitalisation, Proposed CJG Capitalisation and the Proposed Sponsor Fees Capitalisation, the existing public Shareholders as at the Latest Practicable Date will have their aggregate shareholding interest diluted from 83.7% of the existing share capital of the Company to 62.9% of the Enlarged Share Capital after the Proposed Capitalisation.

The respective shareholding interests of the Interested Persons, Ms. Zhao Xin and the public Shareholders in the Company before and after the Proposed Capitalisation are set out in the below table:

	Shareholding before the Proposed Capitalisation		Shareholding after the Proposed Capitalisation	
	No. of Shares held	%	No. of Shares held	%
<u>Shareholders</u>				
Dr. Zhang Jian	138,331,000	14.8	283,616,714	22.8
Ms. Zhao Xin	13,773,000	1.5	13,773,000	1.1
Ms. Zhang Yulei	-	-	71,428,571	5.8
Public Shareholders	781,698,074	83.7	873,949,646 <sup>(1)</sup>	70.3
<b>Total</b>	<b>933,802,074</b>	<b>100.0</b>	<b>1,242,767,931</b>	<b>100.0</b>

Note:

(1) Includes Mr. Zhang Yunhai, Mr. Chua June Gay and the Sponsor.

## 5.4 Other relevant considerations

### 5.4.1 *Financial effects on the Group resulting from the Proposed Capitalisation (including the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs)*

Details on the financial effects of the Proposed Capitalisation are set out in Section 4 of the Circular and are based on the Group's financial information for FY2022 and 1H2023, and the relevant computations provided by the Company. The financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Group after completion of the Proposed Capitalisation.

We have extracted in *italics*, the financial effects of the Proposed Capitalisation on the Group's 1H2023 financial results or its statement of financial position as at 30 June 2023 below. We note that the financial effects prepared by the Company were computed based on the outstanding balances of all relevant loans and payables (including accrued interests) as at 30 June 2023. Accordingly, the total capitalisation amount and Capitalisation Shares to be allotted and issued may not match the amounts set out in the respective Conditional Capitalisation Deeds.

We have made further adjustments to the financial effects where relevant and appropriate, to reflect our assessment of the full financial effects of the Proposed Capitalisation on the Group's 1H2023 financial results or its statement of financial position as at 30 June 2023, based on the amounts set out in the respective Conditional Capitalisation Deeds (i.e. the capitalisation sum of S\$2,162,761 and the allotment and issuance of the 308,965,857 Capitalisation Shares).

(i) Share capital as at 30 June 2023

*233,199,164 Capitalisation Shares will be issued by the Company. The number of Shares will increase from 933,802,074 to 1,167,001,238 after the Proposed Capitalisation.*

Adjusted impact arising from the allotment and issuance of the 308,965,857 Capitalisation Shares

We note that a total number of 308,965,857 Capitalisation Shares will be issued by the Company pursuant to the Proposed Capitalisation, which will result in an enlarged share capital of 1,242,767,931 Shares immediately after the Proposed Capitalisation.

(ii) NAV per Share

*The Group's NAV per Share will increase from 0.02 Singapore cents to 0.20 Singapore cents as at 30 June 2023.*

Adjusted impact arising from the allotment and issuance of the 308,965,857 Capitalisation Shares as well as NAV adjustments arising from (i) the Proposed Capitalisation amount; and (ii) the repayment and discharge of the full ZJ Loan of S\$1.4 million, which will result in an aggregate NAV adjustment of S\$2,545,761

Based on the Group's NAV per Share as at 30 June 2023, we note that the Group's NAV per Share attributable to owners of the Company will increase from 0.01 Singapore cents to 0.21 Singapore cents, immediately after the Proposed Capitalisation.

(iii) Loss per Share

*The loss per Share will improve from 0.12 Singapore cents to 0.09 Singapore cents in 1H2023, after adjusting for the Proposed Capitalisation.*

(iv) Gearing

*Gearing ratio of the Group as at 30 June 2023 will improve from 42.2 times to 1.06 times, after adjusting for the Proposed Capitalisation.*

Adjusted impact arising from total net debt adjustments of S\$1,545,761

We note that the Group's gearing ratio will improve from 42.2 times to 0.7 times, from the total net debt adjustments arising from the Proposed Capitalisation amount of S\$1,545,761.

5.4.2 *Conditions Precedent to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation*

The Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation are subject to the fulfilment of various conditions precedent, including the receipt of Independent Shareholders' approval at the EGM. Should the relevant resolution in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as set out in the notice of EGM in the Circular is not passed, the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation will not proceed.

5.4.3 *No difference in capitalisation price per Share for the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs, vis-à-vis the capitalisation price per Share pursuant to the remaining capitalisation transactions contemplated under the Proposed Capitalisation ("Non-IPT Capitalisation")*

The Non-IPT Capitalisation involves the allotment and issuance of an aggregate 92,251,572 Shares to Mr. Zhang Yunhai, Mr. Chua June Gay and the Sponsor pursuant to the ZYH Conditional Novation Deed, CJG Conditional Assignment and Capitalisation Deed, and the Sponsor Conditional Capitalisation Deed respectively, at a capitalisation price of S\$0.007 per Share. Such Non-IPT Capitalisation is also subject to the fulfilment of the same conditions precedent which are applicable to the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs.

#### 5.4.4 *Available alternatives to reducing the Group's gearing*

The Executive Directors are of the considered view that the Proposed Capitalisation is the most cost efficient and expeditious approach towards lowering the Group's gearing and debt load comprehensively, and hence strengthening its financial position, whilst at the same time managing the Group's cash flow requirements.

#### 5.4.5 *Issue price per Share in connection with the most recent equity issuance*

On 22 September 2020, the Company completed the issue and allotment of 188,000,000 new Shares to individual subscribers, at the issue price of S\$0.0126 per Share ("**Most Recent Placement Price**"). The Recent Placement Price represented a discount of 10% to the volume weighted average price of S\$0.014 for trades done on the Shares of the Company on 12 August 2020 (being the full market day immediately preceding the date on which the placement agreement is signed).

We note that the Capitalisation Price of S\$0.007 per Share is at a discount of approximately 44.4% to the Most Recent Placement Price, but also represents premium of 16.7% to the VWAP of the Shares on the Last Trading Date, and 40.0% to the last closing price of S\$0.005 on the Latest Practicable Date.

## 6. **OUR OPINION**

In arriving at our opinion in respect of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (i) rationale for the Proposed Capitalisation which includes the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs;
- (ii) assessment of the financial terms of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs;
- (iii) dilution impact on the Independent Shareholders arising from the Proposed Capitalisation which includes the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs; and
- (iv) other relevant considerations.

**Overall, based on our analysis and after having considered carefully the information available to us, we are of the view that the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders.**

Our opinion, as disclosed in this IFA Letter, is based on publicly available information and information provided by the Directors and Management and does not reflect any projections of

future financial performance of the Company and/or the Group after the Proposed Capitalisation. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs.

This Letter is prepared for the purpose as required under Rule 921(4)(a) of the Catalist Rules as well as addressed to the Directors for their benefit and for the purpose of their consideration of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs. The recommendation to be made by them to the minority Shareholders shall remain their responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose, other than for the purpose of the EGM, and for the purpose of the Proposed ZJ Loan Capitalisation and the Proposed ZYL Loan Capitalisation as IPTs, at any time and in any manner without the prior written consent of ZICO Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**ZICO Capital Pte. Ltd.**

Alex Tan  
Chief Executive Officer

Karen Soh  
Managing Director

## APPENDIX B

### RULES OF THE AJJ PERFORMANCE SHARE PLAN 2024

#### 1. NAME OF THE PLAN

This Plan (as defined herein) shall be called the "AJJ Performance Share Plan 2024".

#### 2. DEFINITIONS

2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Administration Committee"	: The Remuneration Committee, or such other committee comprising Directors, duly authorised and appointed by the Board to administer the Plan
"associate"	: Has the same meaning ascribed to it in the Catalist Rules
"Auditors"	: The auditors of the Company from time to time
"Award"	: A contingent award of Shares granted under Rule 5
"Award Date"	: In relation to an Award, the date on which the Award was granted pursuant to Rule 5
"Award Letter"	: A letter in such form as the Administration Committee shall approve confirming an Award granted to a Participant by the Administration Committee
"Board"	: The board of directors of the Company
"Catalist"	: The sponsor-supervised listing platform of SGX-ST
"Catalist Rules"	: Section B of the listing manual of SGX-ST dealing with the rules of Catalist, as amended, modified or supplemented from time to time
"CDP"	: The Central Depository (Pte) Limited
"Commencement Date"	: The date on which the Plan is adopted by the Company in general meeting
"Companies Act"	: The Companies Act 1967 of Singapore
"Company"	: AJJ Medtech Holdings Limited
"Constitution"	: The constitution of the Company, as amended, restated, modified or supplemented from time to time.
"control"	: Has the same meaning ascribed to it in the Catalist Rules

"Controlling Shareholder"	: A "controlling shareholder" of the Company, as such term is defined in the Catalist Rules
"CPF"	: Central Provident Fund
"Depository Agent"	: Has the meaning ascribed to it in the SFA
"Directors"	: The directors of the Company from time to time
"Employee"	: A full-time or part-time employee of the Group (including a Group Executive Director) selected by the Administration Committee to participate in the Plan in accordance with Rule 4
"Group"	: The Company and its subsidiaries collectively, and "Group Company" means any one of them
"Group Executive Director"	: An executive director of the Company and/or any other Group Company
"Group Non-Executive Director"	: A director (other than a Group Executive Director) of the Company and/or any other Group Company
"Market Day"	: A day on which SGX-ST is open for trading in securities
"Market Value"	: In relation to a Share, on any day: <ul style="list-style-type: none"> <li>(c) the average price of a Share listed or quoted on SGX-ST (or such other stock exchange on which the Shares may for the time being be listed or quoted) over the five immediate preceding Market Days on which Shares were traded; or</li> <li>(d) if the Administration Committee is of the opinion that the Market Value as determined in accordance with paragraph (a) above is not representative of the value of a Share, such price as the Administration Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable</li> </ul>
"Participant"	: An Employee or a Group Non-Executive Director who has been granted an Award (including duly appointed personal representatives of such Employee or Group Non-Executive Director, where applicable)
"Performance Condition"	: In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award
"Performance Period"	: In relation to a Performance-related Award, a period,

	the duration of which is to be determined by the Administration Committee on the Award Date, during which the Performance Condition(s) is (are) to be satisfied
"Performance-related Award"	: An Award in relation to which a Performance Condition is specified
"Plan"	: This AJJ Performance Share Plan 2024, as may be amended or modified from time to time
"Record Date"	: The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to, or rights of, shareholders of the Company
"Release"	: In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with the Plan, and, to the extent that any Shares which are the subject of the Award are not released pursuant to the Plan, the Award in relation to those Shares shall lapse accordingly, and "Released" shall be construed accordingly
"Released Award"	: An Award which has been released in full or in part in accordance with Rule 7
"Remuneration Committee"	: The remuneration committee of the Company from time to time
"Rules"	: Rules of the Plan
"Securities Account"	: The securities account maintained by a Depositor with CDP, but not including any securities account maintained with a Depository Agent
"SFA"	: The Securities and Futures Act 2001 of Singapore
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Shareholders"	: Registered holders of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
"Shares"	: Ordinary shares in the capital of the Company
"subsidiary"	: Has the meaning ascribed to it in the Companies Act
"treasury shares"	: Has the meaning ascribed to it in the Companies Act
"Vesting"	: In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a



Released Award, and "Vest" and "Vested" shall be construed accordingly

"Vesting Date" : In relation to Shares which are the subject of a Released Award, the date (as determined by the Administration Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7

"Vesting Period" : In relation to an Award, each period (if any), the duration of which is to be determined by the Administration Committee on the Award Date, after the expiry of which the relevant number of Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to Rule 7

"%" : Per centum or percentage

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

2.3 Any reference in the Plan to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in the Plan shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise stated.

2.4 Any reference to a time of day and to dates in the Plan shall be a reference to Singapore time and dates, unless otherwise stated.

### **3. OBJECTIVES OF THE PLAN**

3.1 The Plan is a share incentive scheme, which is proposed on the basis that it is important to retain Employees whose contributions are essential to the long-term growth, success and development of the Group, and to give recognition to outstanding Employees who have contributed to the growth, success and development of the Group. The Plan will also enable grants of fully paid Shares to be made to Group Non-Executive Directors as part of their remuneration in respect of their office as such *in lieu* of cash or, where the Administration Committee deems appropriate, to give recognition to the contributions made or to be made by Group Non-Executive Directors to the growth, success and development of the Group.

3.2 The objectives of the Plan are as follows:

(h) to provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;

(i) to motivate Participants to strive towards optimum performance standards and efficiency and to maintain a high level of contribution to the Group;

- (j) to retain key Employees whose contributions are essential to the long-term growth, success and development of the Group and to attract top talent in the relevant industries;
- (k) to give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package;
- (l) to attract potential employees with relevant skills to contribute to the Group and create value for the Shareholders;
- (m) to align the interests of Employees and Group Non-Executive Directors with the interests of the Shareholders; and
- (n) to allow the Group to offer Employees and Group Non-Executive Directors, as well as prospective employees and directors, competitive remuneration packages through a combination of cash and equity.

#### **4. ELIGIBILITY OF PARTICIPANTS**

4.1 A person shall be eligible to participate in the Plan, at the absolute discretion of the Administration Committee, provided that at the Award Date such person must:

- (d) be a full-time or part-time employee whose employment with the Group has been confirmed;
- (e) have attained the age of 21 years; and
- (f) not be an undischarged bankrupt and must not have entered into a composition with his creditors.

4.2 A Group Non-Executive Director shall be eligible to participate in the Plan, at the absolute discretion of the Administration Committee, provided that such person satisfies the eligibility requirements in Rules 4.1(b) and (c).

4.3 Controlling Shareholders and their associates who meet the eligibility criteria in Rule 4.1 shall be eligible to participate in the Plan, provided that the participation of and the terms of each grant and the actual number of Awards granted under the Plan to a person who is a Controlling Shareholder or his associate shall be approved by independent Shareholders in a separate resolution for each such person, with such separate resolution including approval for the actual number and terms of Awards to be granted to that person. The Company will at such time provide the rationale and justification for any proposal to grant such Controlling Shareholders or their associates any Awards (including the rationale for any discount to the market price, if so proposed).

Such Controlling Shareholders and their associates shall abstain from voting on the resolution in relation to their participation in the Plan and grant of Awards to them.

4.4 For the purposes of determining eligibility to participate in the Plan, the secondment of an Employee to another Group Company shall not be regarded as a break in his employment or his having ceased by reason only of such secondment.

4.5 There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by the Company or any other Group Company.

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

## **5. GRANT OF AWARDS**

5.1 Subject to Rule 8 and the Catalist Rules, the Administration Committee may grant Awards to Employees and/or Group Non-Executive Directors (in each case, as the Administration Committee may select in its absolute discretion) at any time during the period when the Plan is in force.

5.2 The eligibility of Participants to participate in the Plan, the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan and the Vesting Period shall be determined at the absolute discretion of the Administration Committee, which shall take into account such criteria as it considers fit, including, but not limited to:

- (a) the financial performance of the Group;
- (b) in the case of an Award to be granted to an Employee, the difficulty with which the Performance Condition(s) may be achieved within the Performance Period, his designation, job responsibilities, job performance, year(s) of service, potential for future development, and his contribution to the growth, success and development of the Group; and
- (c) in the case of a Group Non-Executive Director, year(s) of service, his board and board committee appointments and attendance, and his contributions to the growth, success and development of the Group.

5.3 The Administration Committee shall decide, in its absolute discretion, in relation to each Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the number of Shares which are the subject of the Award;
- (d) in the case of a Performance-related Award, the Performance Period and/or the Performance Condition(s);
- (e) the prescribed Vesting Period(s), if any;
- (f) the extent to which Shares which are the subject of that Award shall be Released (i) on the Performance Condition(s), if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period; or (ii) at the end of each prescribed Vesting Period; and
- (g) the moratorium on the Shares issued upon Vesting of the Awards.

5.4 In the case of a Performance-related Award, the Performance Condition will be determined by the Administration Committee in its discretion, taking into account the objective of setting incremental performance targets or benchmarks which are in line with the objectives of the Group, as well as criteria such as the past and current performance, number of years of service, market conditions, scope of work and responsibilities of such Participant and any other qualitative factors.

5.5 The Administration Committee may amend or waive the Vesting Period(s) and/or any condition applicable to an Award and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition(s), if any, and/or the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s), if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period in respect of that Award:

(a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies is approved by Shareholders and/or sanctioned by the court under the Companies Act, in the event of an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(d) or for reconstruction or amalgamation) or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company;

(b) in the case of a Performance-related Award, if anything happens which causes the Administration Committee to conclude that:

(i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or

(ii) a Performance Condition should be waived as the Participant has achieved a level of performance that the Administration Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled,

and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant shall not invalidate any such change or waiver).

5.6 As soon as reasonably practicable after making an Award, the Administration Committee shall send to each Participant an Award Letter confirming the Award and specifying the details in Rule 5.3(b) to 5.3(h), where applicable, in relation to the Award.

5.7 Participants are not required to pay for the grant of Awards.

## **6. LAPSE OF AWARDS**

6.1 An Award shall, to the extent not yet Released, immediately lapse and cease to have any effect (without any claim whatsoever against the Group, the Directors and any employee of the Group) upon the occurrence of any of the following events:

(h) a Participant, being an Employee, ceasing to be in the employment of the Group for any reason whatsoever;

(i) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award;

(j) a Participant commits any breach of any term of his Award;

(k) misconduct on the part of a Participant as determined by the Administration Committee in its absolute discretion;

(l) a take-over, winding-up or reconstruction of the Company;

- (m) an order is made or a resolution is passed for the winding-up of the Company on the basis, or by reason, of its insolvency; or
- (n) any other event approved by the Administration Committee.

For the purpose of Rule 6.1(a) above, a Participant shall be deemed to have ceased to be in the employment of the Group on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, such Participant has (with the consent of the relevant Group Company) withdrawn such notice.

- 6.2 The Administration Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rules 6.1 and 7.1. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1.
- 6.3 Without prejudice to the provisions of Rules 5.4 and 7.1, to the extent of an Award yet to be Released, if any of the following occurs:
  - (a) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;
  - (b) a scheme of an arrangement or compromise between the Company and the Shareholders being sanctioned by the court under the Companies Act;
  - (c) an order for the compulsory winding-up of the Company is made; or
  - (d) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Administration Committee may consider, in its discretion, whether or not to Release such Award. If the Administration Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Administration Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where such Award is Released, the Administration Committee will, as soon as practicable after such Release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Administration Committee so determines, the Release may be satisfied in cash as provided in Rule 7.

## **7. RELEASE OF AWARDS**

### **7.1 Review of Performance Condition(s) in relation to Awards**

- 7.1.1 In relation to each Performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Administration Committee shall review the Performance Condition(s) specified in respect of that Award and determine:
  - (c) whether it (they) has (have) been satisfied and, if so, the extent to which it (they) has (have) been satisfied; and
  - (d) the number of Shares (if any) comprised in that Award to be Released to the relevant Participant.
- 7.1.2 If the Administration Committee determines, in its absolute discretion, that the

Performance Condition(s) has (have) not been satisfied (whether fully or partially) or (subject to Rule 6) if the relevant Participant has not continued to be an Employee from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.5 shall be of no effect.

7.1.3 The Administration Committee shall have the discretion to determine whether the Performance Condition(s) has (have) been satisfied (whether fully or partially) or exceeded and in making any such determination, the Administration Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Administration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

## 7.2 Vesting of Award

7.2.1 Subject to:

- (a) (in relation to a Performance-related Award) the Administration Committee having determined that the Performance Condition(s) has (have) been satisfied;
- (b) the relevant Participant (being an Employee or a Group Non-Executive Director) having continued to be an Employee or a Group Non-Executive Director, as the case may be, from the Award Date up to the end of the relevant Vesting Period (if any);
- (c) the Administration Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;
- (d) such consents (including any approvals required by SGX-ST) as may be necessary having been obtained;
- (e) compliance with the terms of the Award, the Plan and the Constitution;
- (f) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (g) where Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on SGX-ST,

upon the expiry of each Vesting Period in relation to an Award (if any), the Company shall Release to the relevant Participant the relevant number of Shares to which his Award relates on the relevant Vesting Date(s).

7.2.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the relevant Vesting Date(s), which shall be a Market Day falling as soon as practicable after the Release of such Award and, on the relevant Vesting Date(s), the Administration Committee will procure the issue or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares and to the extent permitted by law, include Shares held by the Company as treasury shares) so determined. For the avoidance of doubt, no Shares shall be issued pursuant to the Release of an Award if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time

being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares.

- 7.2.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to SGX-ST for permission to list such Shares.

### 7.3 Release of Award

Shares which are to be issued or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of either:

- (d) the securities account of that Participant maintained with CDP;
- (e) the securities sub-account of that Participant maintained with a Depository Agent; or
- (f) the CPF investment account of that Participant maintained with a CPF agent bank,

in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.

### 7.4 Rights of Shares

Shares which are allotted and issued, or existing Shares procured by the Company on behalf of the Participants for transfer, upon the Release of an Award shall:

- (c) be subject to all the provisions of the Constitution; and
- (d) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

### 7.5 Cash Awards

The Administration Committee, in its absolute discretion, may determine to make a Release of an Award (other than an Award granted to a Group Non-Executive Director as part of his directors' remuneration *in lieu* of cash), wholly or partly, in the form of cash rather than Shares which would otherwise have been allotted and issued to the Participant upon the Release of an Award on the relevant Vesting Date(s), in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, *in lieu* of all or part of such Shares, the aggregate Market Value of such Shares on such Vesting Date.

## 8. LIMITATION ON THE SIZE OF THE PLAN

- 8.1 The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the Plan on any date, when added to the number of Shares issued and issuable and/or transferred and transferrable in respect of all Awards granted under the Plan, and all options and awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 20.0% of the number of all issued Shares (excluding treasury shares, as defined in the Companies Act) on the day preceding that date.

- 8.2 The aggregate number of Shares available to Controlling Shareholders and their associates under the Plan shall not exceed 25.0% of the Shares available under the Plan.
- 8.3 The number of Shares available to each Controlling Shareholder or his associate under the Plan shall not exceed 10.0% of the Shares available under the Plan.
- 8.4 The number of Shares available to Group Non-Executive Directors under the Plan shall not exceed 10.0% of the Shares available under the Plan.
- 8.5 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Administration Committee under the Plan.

## **9. ADJUSTMENT EVENTS**

- 9.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, bonus or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Administration Committee may, in its absolute discretion, determine whether:

- (c) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto; and/or
- (d) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted and if so, the manner in which such adjustments should be made, provided that the rights of a Participant will be changed to the extent necessary to comply with the Catalist Rules that apply at the time of the event, including the Catalist Rules that apply to a reorganisation of capital at that time.

- 9.2 Unless the Administration Committee considers an adjustment to be appropriate:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; or
- (c) the issue of securities by the Company upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants,

shall not normally be regarded as a circumstance requiring adjustment.

- 9.3 Notwithstanding the provisions of Rule 9:

- (c) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; and
- (d) any adjustment (except in relation to a bonus or capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be, in their opinion, fair and reasonable.



- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives, where applicable) in writing and deliver to him (or his duly appointed personal representatives, where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.
- 9.5 Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the Plan, the Administration Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

## **10. ADMINISTRATION OF THE PLAN**

- 10.1 The Plan shall be administered by the Administration Committee and in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Administration Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.
- 10.2 The Administration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure hereunder or any rights under the Plan shall be determined by the Administration Committee. The Administration Committee may amend or waive any condition applicable to an Award in its absolute discretion and shall notify the relevant Participant of such change or waiver.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Administration Committee or any of its members any liability whatsoever and/or howsoever arising in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the Plan;
  - (b) the failure or refusal by the Administration Committee to exercise, or the exercise by the Administration Committee of, any discretion under the Plan; and/or
  - (c) any decision or determination of the Administration Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Administration Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including, for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Administration Committee shall not be required to furnish any reasons for any decision or determination made by it.

## **11. NOTICES AND COMMUNICATIONS**

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, as may be notified by the Company to him in writing, and marked for the attention of the Administration Committee.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Administration Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any notice or other communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

## **12. MODIFICATIONS TO THE PLAN**

- 12.1 Any or all the provisions of the Plan may be amended and/or modified at any time and from time to time by resolution of the Administration Committee, in its absolute discretion, except that:
- (e) no amendment or modification shall adversely alter the rights attached to any Award granted prior to such amendment or modification except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would become entitled to not less than 75.0% of the Shares which would fall to be Vested upon Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;
  - (f) any amendment or modification which would be to the advantage of the Participants shall be subject to the prior approval of Shareholders in general meeting;
  - (g) no amendment or modification shall be made without the prior approval of SGX-ST and such other regulatory authorities as may be necessary; and
  - (h) no modifications and/or alterations shall be made if, as a result, the Participant receives a benefit that a Shareholder does not receive.

For the purposes of Rule 12.1(a), the opinion of the Administration Committee as to whether any amendment or modification would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Administration Committee under any other provision of the Plan to amend or adjust any Award.

- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Administration Committee, in its absolute discretion, may at any time by resolution (and without other formality, save for the prior approval of SGX-ST) amend or modify the Plan in any way to the extent necessary to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including any amendment or modification to the Companies Act), or the provisions or the regulations of any regulatory or other relevant authority or body (including SGX-ST).

- 12.3 Written notice of any amendment or modification made in accordance with this Rule 12 shall be given to all Participants.

### **13. TERMS OF EMPLOYMENT UNAFFECTED**

The terms of employment of a Participant (being an Employee) shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason. The Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against any Group Company, whether directly or indirectly, or give rise to any cause of action at law or in equity against any Group Company or any of their respective directors or employees.

### **14. DURATION OF THE PLAN**

- 14.1 The Plan shall continue to be in force at the discretion of the Administration Committee, subject to a maximum period of 10 years commencing on the Commencement Date, provided always that, subject to compliance with the Catalist Rules or any other applicable laws, the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The Plan may be terminated or suspended at any time by the Administration Committee, at the discretion of the Administration Committee, or by ordinary resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Company hereunder. For the avoidance of doubt, the suspension of the Plan shall not extend the duration of the Plan.
- 14.3 The expiry, termination or suspension of the Plan shall not affect Awards which have been granted prior to such expiry, termination or suspension, whether such Awards have been Released (whether fully or partially) or not.

### **15. TAXES**

All taxes (including income tax) arising from the grant of any Award, or the Release of any Award granted, to any Participant under the Plan shall be borne by that Participant.

### **16. COSTS AND EXPENSES OF THE PLAN**

- 16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank.
- 16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan, including, but not limited to, the fees, costs and expenses relating to the issue or transfer of Shares pursuant to the Release of any Award, shall be borne by the Company.

### **17. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Administration Committee, the Company and its directors and employees shall not under any circumstances be held liable for any costs,

losses, expenses and damages whatsoever and howsoever arising in any event, including, but not limited to, the Company's delay in issuing, or procuring the transfer of, the Shares or applying for, or procuring the listing of, new Shares on SGX-ST in accordance with Rule 7.2.3.

**18. DISCLOSURE IN ANNUAL REPORTS**

18.1 The following disclosures or appropriate negative statements (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation and for so long as such disclosures are required to be made by the Catalist Rules or any other applicable laws:

- (a) the names of the members of the Administration Committee;
- (b) in respect of the following Participants, the information in the table set out below:
  - (i) Participants who are Directors;
  - (ii) Participants who are Controlling Shareholders and their associates; and
  - (iii) Participants, other than those in paragraphs (i) and (ii) above, who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent 5.0% or more of the total number of Shares available under the Plan;

Name of the Participant	Aggregate number of Shares comprised in Awards granted under the Plan during the year of review (including terms)	Aggregate number of Shares comprised in Awards granted under the Plan since the commencement of the Plan to end of the financial year under review	Aggregate number of Shares comprised in Awards granted under the Plan which have been Released since the commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards granted under the Plan which have not been Released as at the end of the financial year under review

- (c) in relation to the Plan, the following particulars:
  - (i) the aggregate number of Shares comprised in Awards granted since the commencement of the Plan to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in Awards which have Vested during the financial year under review and in respect of such Awards, the proportion of:
    - (iii) Shares issued; and
    - (iv) where applicable, existing Shares purchased, including the range of prices at which such Shares have been purchased, upon the Vesting of Released Awards; and
  - (iii) the aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review; and
- (d) such other information as may be required by the Catalist Rules or the Companies Act.

18.2 If any of the disclosures in Rule 18.1 is not applicable, an appropriate negative statement will be included in the annual report.

**19. ABSTENTION FROM VOTING**

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Plan, including relating to participation in the Plan and grant of Awards to the Participants. Participants may act as proxies of Shareholders in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

**20. EXCLUSION OF THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT**

Save as contemplated by herein, no person shall have any right to enforce any provision of the Plan or any Award by virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

**21. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA**

For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representatives). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third parties to the Company in connection with the Plan, he has obtained the prior consent of such third parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

**22. DISPUTES**

Any disputes or differences of any nature arising hereunder shall be referred to the Administration Committee and its decision shall be final and binding in all respects.

**23. GOVERNING LAW**

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by being granted Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**OEL (Holdings) Limited**  
(Unique Entity Number: 198403368H)  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting ("**EGM**") of **OEL (HOLDINGS) LIMITED** (the "**Company**") will be held at 8 Commonwealth Lane, #02-04, Grande Building, Singapore 149555 on 6 February 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions set out below.

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular to shareholders dated 11 January 2024 issued by the Company ("**Circular**").

Shareholders should note that:

- (a) Ordinary Resolutions 1 and 2 (collectively, the "**ZJ Resolutions**") are inter-conditional on each other;
- (b) the Special Resolution, the ZJ Resolutions and Ordinary Resolutions 3, 4, 5, 6 and 7 are not inter-conditional on each other and are not conditional on the passing of any other resolution; and
- (c) Ordinary Resolution 8 is conditional on the passing of Ordinary Resolution 7; and
- (d) Ordinary Resolution 9 is conditional on the passing of Ordinary Resolutions 7 and 8.

### **SPECIAL RESOLUTION: THE PROPOSED CHANGE OF NAME**

**THAT:**

- (a) subject to the approval of the Accounting and Corporate Regulatory Authority, the Proposed Change of Name of the Company be and is hereby approved, and that the name "AJJ Medtech Holdings Limited" be substituted for "OEL (Holdings) Limited" wherever the latter name appears in the Constitution; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including making all necessary filings with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") and executing all such documents as may be required) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Special Resolution.

### **ORDINARY RESOLUTION 1: THE PROPOSED ZJ LOAN CAPITALISATION**

**THAT** subject to and contingent upon the passing of Ordinary Resolution 2:

- (a) approval be and is hereby given for the Proposed ZJ Loan Capitalisation and for the Company to allot and issue 145,285,714 new Shares, as an interested person transaction in accordance

with Rule 906 of the Catalist Rules and pursuant to section 161 of the Companies Act, at the Capitalisation Price, to be credited as fully paid on issue in full repayment and discharge of the ZJ Loan Outstanding Amount, pursuant to and subject to the terms and conditions of the ZJ Conditional Capitalisation Deed: and

- (b) the Directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including making all necessary filings with ACRA and executing all such documents as may be required) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 1.

#### **ORDINARY RESOLUTION 2: THE PROPOSED TRANSFER OF CONTROLLING INTEREST**

**THAT** subject to and contingent upon the passing of Ordinary Resolution 1:

- (a) approval be and is hereby given for the transfer of a controlling interest to Dr. Zhang Jian as a result of the allotment and issuance of the ZJ Capitalisation Shares to Dr. Zhang Jian pursuant to the Proposed ZJ Loan Capitalisation; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including making all necessary filings with ACRA and executing all such documents as may be required) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 2.

#### **ORDINARY RESOLUTION 3: THE PROPOSED ZYL LOAN CAPITALISATION**

**THAT:**

- (c) approval be and is hereby given for the Proposed ZYL Loan Capitalisation and for the Company to allot and issue 71,428,571 new Shares, as an interested person transaction in accordance with Rule 906 of the Catalist Rules and pursuant to section 161 of the Companies Act, at the Capitalisation Price to Ms. Zhang Yulei, to be credited as fully paid on issue in full repayment and discharge of the ZYL Loan, respectively, pursuant to and subject to the terms and conditions of the ZYL Conditional Capitalisation Deed; and
- (d) the Directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including making all necessary filings with ACRA and executing all such documents as may be required) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 3.

#### **ORDINARY RESOLUTION 4: THE PROPOSED ZYH LOAN CAPITALISATION**

**THAT:**

- (a) approval be and is hereby given for the Proposed ZYH Loan Capitalisation and for the Company to allot and issue 58,037,143 new Shares, pursuant to section 161 of the Companies Act, at the Capitalisation Price to Mr. Zhang Yunhai, to be credited as fully paid on issue in full repayment and discharge of the ZYH Loan, pursuant to and subject to the terms and conditions of the ZYH Conditional Novation and Capitalisation Deed; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including making all necessary filings with ACRA and executing all such documents as may be required) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 4.

#### **ORDINARY RESOLUTION 5: THE PROPOSED PARTIAL ACQUISITION CAPITALISATION**

**THAT:**

- (c) approval be and is hereby given for the Proposed Partial Acquisition Consideration Capitalisation and for the Company, pursuant to section 161 of the Companies Act, to allot and issue 28,571,429 new Shares at the Capitalisation Price to Mr. Chua June Gay, to be credited as fully paid on issue in full repayment and discharge of the Capitalised Acquisition Consideration, pursuant to and subject to the terms and conditions of the CJG Conditional Novation and Capitalisation Deed; and
- (d) the Directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including making all necessary filings with ACRA and executing all such documents as may be required) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 5.

**ORDINARY RESOLUTION 6: THE PROPOSED OUTSTANDING SPONSOR FEES CAPITALISED AMOUNT CAPITALISATION**

**THAT:**

- (e) approval be and is hereby given for the Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation and for the Company to allot and issue 5,643,000 new Shares, pursuant to section 161 of the Companies Act, at the Capitalisation Price to the Sponsor, to be credited as fully paid on issue in full repayment and discharge of the Outstanding Sponsor Fees Capitalised Amount, pursuant to and subject to the terms and conditions of the Sponsor Conditional Capitalisation Deed; and
- (f) the Directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including making all necessary filings with ACRA and executing all such documents as may be required) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 6.

**ORDINARY RESOLUTION 7: PROPOSED ADOPTION OF THE PLAN**

**THAT:**

- (a) a share award plan to be known as the "AJJ Performance Share Plan 2024" (the "**Plan**"), the rules of which are set out in the Circular and under which Awards of fully-paid Shares, their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company and/or its Subsidiaries, including the Directors of the Company, and other selected Participants, details of which are set out in the Circular, be approved;
- (b) the Directors or the Remuneration Committee be authorised to:
  - (i) implement, establish and administer the Plan; and
  - (ii) modify and/or amend the Plan from time to time, provided that such modification and/or amendment is effected in accordance with the provisions of the Plan and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Plan; and
  - (iii) offer and grant Awards in accordance with the rules of the Plan and pursuant to Section 161 of the Companies Act and to allot and issue such number of fully-paid Shares and/or transfer such number of existing Shares held in treasury, free of charge, as may be required to be issued or delivered from time to time pursuant to the vesting of



Awards under the Plan, provided that the aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the Plan on any date, when added to the number of Shares issued and issuable and/or transferred and transferrable in respect of all Awards granted under the Plan, and all options and awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 20.0% of the number of all issued Shares (excluding treasury shares, as defined in the Companies Act) on the day preceding that date; and

- (iv) subject to the same being allowed by law, apply any Share purchased under any share buyback mandate towards the satisfaction of Awards granted under the Plan; and
- (c) the Directors be authorised to complete and do all such acts and things (including making all necessary filings with ACRA and executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may in their absolute discretion consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this Ordinary Resolution 7.

#### **ORDINARY RESOLUTION 8: PROPOSED ZYL PARTICIPATION**

**THAT** subject to and contingent upon the passing of Ordinary Resolutions 7:

- (a) the proposed participation by Ms. Zhang Yulei in the Plan be approved;
- (b) the Directors be authorised to complete and do all such acts and things (including making all necessary filings with ACRA and executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may in their absolute discretion consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this Ordinary Resolution 8.

#### **ORDINARY RESOLUTION 9: PROPOSED GRANT OF THE ZYL AWARD**

**THAT** subject to and contingent upon the passing of Ordinary Resolutions 7 and 8:

- (a) the proposed grant of an Award of up to 16,000,000 Shares under the Plan to Ms. Zhang Yulei on the following terms be approved:

Number of PSP Shares	:	Up to 16,000,000
Date of grant of the ZYL Award	:	within two months from the date of the EGM
Vesting period of the ZYL Award	:	100.0% of the shares vest on the date of the grant

- (b) the Directors be authorised to complete and do all such acts and things (including making all necessary filings with ACRA and executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may in their absolute discretion consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this Ordinary Resolution 9.

#### **NOTES:**

1. A Shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf.
2. (a) A Shareholder (otherwise than a Relevant Intermediary) is entitled to appoint not more than

two proxies to attend, speak and vote at the meeting. Where such Shareholder's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

- (b) A Shareholder who/which is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

"**Relevant intermediary**" has the meaning as ascribed to it in Section 181(6) of the Companies Act 1967 of Singapore (the "**Companies Act**").

3. A proxy need not be a Shareholder.
4. The instrument appointing a proxy or proxies must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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.
5. Where an instrument appointing a proxy or proxies 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.
6. The instrument appointing a proxy or proxies must be deposited 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, or emailed to: sg.is.proxy@sg.tricorglobal.com, not less than 48 hours before the time appointed for holding the EGM, being 10.00 a.m. on 4 February 2024. If a Shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy or proxies shall be revoked.
7. A corporation which is a Shareholder 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 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.
8. An investor who buys shares using CPF monies and/or SRS monies ("**CPF and SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
9. 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 a Shareholder whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Shareholder, being the appointor, is not shown to have shares entered against his/her 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.

#### **ABSTENTION FROM VOTING PURSUANT TO RULE 804 OF THE CATALIST RULES**

Pursuant to Rule 804 of the Catalist Rules, where an issue is made to any Director and any of his Associates otherwise on a *pro rata* basis, such Director and Associate must abstain from exercising any voting rights in respect thereof. Accordingly, Dr. Zhang Jian shall abstain from voting on Ordinary Resolutions 1, 2, 3, 7 and 9.

#### **SUBMISSION OF QUESTIONS PRIOR TO EGM**

Shareholders (including CPF and SRS Investors) who have any questions in relation to any agenda item of this notice are encouraged to send their questions to the Company in advance by 10.00 a.m. on 30 January 2024, via email to [general@ohldg.com](mailto:general@ohldg.com) or by post to 8 Commonwealth Lane, #02-04, Grande Building, Singapore 149555 ("**Questions Deadline**"). When submitting questions, Shareholders should provide their details including full name, NRIC/Passport/Company Registration No., contact number and email address for verification purposes. Questions must be submitted not later than the Questions Deadline.

The Company will endeavour to upload the Company's responses to all substantial and relevant questions from Shareholders on SGXNet at <https://www.sgx.com/securities/companyannouncements> and the Company's website at <https://www.ohldg.com/> 48 hours prior to the closing date and time for lodgement of the Proxy Forms, i.e., by 10.00 a.m. on 4 February 2024. The Company will address those substantial and relevant questions related to the resolutions to be tabled for approval at the EGM, which have not already been addressed prior to the EGM, during the EGM proceedings itself and through the publication of the minutes of the EGM on SGXNet and the Company's website within one month after the date of EGM.

For verification purpose, Shareholders or their corporate representative must state his/her full name, identification/registration number and whether he/she is a Shareholder or a corporate representative of a corporate Shareholder. Any question without the identification details will not be addressed.

#### **ASKING QUESTIONS AT THE EGM**

Shareholders and (where applicable) their duly appointed proxy or proxies will be able to ask questions related to the resolutions to be tabled for approval at the EGM, at the EGM itself. 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.

#### **ATTENDANCE AT EGM**

Due to the limited sitting capacity of the venue, only Shareholders whose names appear in the Depository Register as at 72 hours before the time appointed for holding the EGM or the appointed proxy or proxies shall be entitled to attend the EGM.

#### **PERSONAL DATA PRIVACY**

By submitting a Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company (a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guideline (collectively, the "**Purposes**"), (b) warrants that where the shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the Shareholder will fully and effectively indemnify the Company, on demand and on an after-tax basis, in respect of any penalties, liabilities, claims, demands, losses and damages arising out of or in connection with the Shareholder's breach of warranty.

Photographic, sound and/or video recordings at the EGM (including any adjournment thereof) 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 Shareholder (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.

**BY ORDER OF THE BOARD**

**Zhao Xin**

Chief Executive Officer and Executive Director

Singapore  
11 January 2024

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This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited (the "**Sponsor**"). It has not been examined or approved by Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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

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## PROXY FORM

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### OEL (HOLDINGS) LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198403368H)

### EXTRAORDINARY GENERAL MEETING

#### PROXY FORM

**IMPORTANT**

1. The extraordinary general meeting ("**EGM**" or the "**Meeting**") to be held on 6 February 2024 at 10:00 a.m. is being convened, and will be held, by physical means at 8 Commonwealth Lane, #02-04, Grande Building, Singapore 149555. Members and their duly appointed proxy (or proxies) will not be able to attend the EGM by way of electronic means.
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting (or any person other the Chairman of the Meeting) as a member's proxy to vote on his/her/its behalf at the EGM.

I/We\* \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No./Company  
Registration No.) \_\_\_\_\_ of  
\_\_\_\_\_ (Address)

being a member/members of **OEL (HOLDINGS) LIMITED** (the "**Company**") hereby appoint:

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

or failing whom, the Chairman of the Meeting as my/our\* proxy to attend and to vote for me/us\* on my/our\* behalf at the EGM to be held at 8 Commonwealth Lane, #02-04, Grande Building, Singapore 149555 on Tuesday, 6 February 2024 at 10:00 a.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for, against or abstain from voting on the resolutions to be 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 EGM 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 a particular 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.

No.	Resolutions Relating To:	For	Against	Abstain
1.	Special Resolution: Proposed Change of Name			
2.	Ordinary Resolution 1: Proposed ZJ Loan Capitalisation			
3.	Ordinary Resolution 2:			

	Proposed Transfer of Controlling Interest			
4.	Ordinary Resolution 3: Proposed ZYL Loan Capitalisation			
5.	Ordinary Resolution 4: Proposed ZYH Loan Capitalisation			
6.	Ordinary Resolution 5: Proposed Outstanding Sponsor Fees Capitalised Amount Capitalisation			
7.	Ordinary Resolution 6: The Proposed Partial Acquisition Consideration Capitalisation			
8.	Ordinary Resolution 7: Proposed Adoption of the Plan			
9.	Ordinary Resolution 8: Proposed ZYL Participation			
10.	Ordinary Resolution 9: Proposed Grant of the ZYL Award			

\* Delete whichever not applicable.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2024

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

\_\_\_\_\_  
Signature(s) of Member(s) or  
Common Seal of Corporate Member

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

## NOTES TO PROXY FORM:

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 proxy/proxies/Chairman of the Meeting shall be deemed to relate to all the Shares held by you.
2. A member who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's Proxy Form appoints more than one 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 member who is a Relevant Intermediary (as defined below) is entitled to appoint more than two 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 member. Where such member's Proxy Form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.
3. The instrument appointing a proxy or proxies to vote on the member's behalf at the EGM, duly executed, must be submitted in hard copy form or electronically via email to the Company in the following manner:
  - (a) if submitted by post, to be mailed to 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 electronically, be submitted via email to the Company's polling agent, Tricor Barbinder Share Registration Services, at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com),in either case by 10:00 a.m. on Sunday, 4 February 2024 (being not less than 48 hours before the time appointed for the holding of the EGM). A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
4. Persons who hold shares through Relevant Intermediaries, including CPF and SRS investors, and who wish to participate in the EGM by appointing the Chairman of the EGM as proxy to attend speak and vote on their behalf at the EGM, should contact the Relevant Intermediary (which would include, in the case of CPF and SRS investors, their respective CPF agent banks and SRS approved banks or depository agents) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the EGM. CPF and SRS investors who wish to appoint the Chairman of the EGM as their proxy should approach their respective CPF agent banks and SRS approved banks or depository agents to submit their votes at least seven working days before the EGM (i.e., by 10:00 a.m. on Thursday, 25 January 2024).
5. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
6. 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 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 the corporation could exercise in person if it were an individual.
7. Any reference to a time of day is made by reference to Singapore time.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

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

- (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 Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

#### **PERSONAL DATA PRIVACY**

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 11 January 2024.

#### **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 (including any related attachment) (such as in the case where the appointor submits more than one 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/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.