AJJ MEDTECH HOLDINGS LIMITED

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

PROPOSED DEBT CAPITALISATION

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of AJJ Medtech Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 4 November 2026 entered into a conditional capitalisation deed (the "**Capitalisation Deed**") with several of its creditors (collectively, the "**Participating Creditors**" and each a "**Participating Creditor**"), pursuant to which the Company has agreed, subject to and upon the terms and conditions set out therein, to capitalise certain outstanding amounts owing by the Company to such Participating Creditors via the allotment and issuance of new ordinary shares in the capital of the Company ("**Shares**") at the Conversion Price (as defined below) (the "**Proposed Debt Capitalisation**").

Reference herein to a "**Rule**" shall refer to any rule of Section B of the Listing Manual: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), unless otherwise specified.

2. THE PROPOSED DEBT CAPITALISATION

2.1 Relevant Debt

Details of the Participating Creditors, the total amounts owing by the Company to each Participating Creditor as at the date of the Capitalisation Deed, the respective amounts agreed to be capitalised pursuant to the Proposed Debt Capitalisation (the "**Relevant Debt**") and a description of the Relevant Debt are as follows:

Participating Creditor	Amount owed (S$)	Relevant Debt (S$)	Description of Relevant Debt
Dr. Zhang Jian	1,680,896.00	588,000.00	(i) S$492,000 outstanding under the interest-free loan of S$500,000 extended to the Company for, among others, working capital purposes pursuant to the loan agreement dated 4 April 2025 entered into by and between the Company and Zhang Jian (ii) Accrued employee remuneration of S$96,000
Mr. Chong Eng Wee	144,000.00	57,600.00	Outstanding Director's fees for the financial years ended 31 December ("**FY**") 2022 and FY2023

Participating Creditor	Amount owed (S$)	Relevant Debt (S$)	Description of Relevant Debt
Dr. Toh Lim Kai	144,000.00	57,600.00	Outstanding Director's fees for FY2022 and FY2023
Mr. Tan Lye Heng Paul	110,363.64	40,000.00	Outstanding Director's fees for FY2023 and FY2024
Evolve Capital Advisory Private Limited	368,130.00	177,000.00	Outstanding professional fees for continuing sponsorship services
Mr. Ong Hon Hsiang William	110,707.02	92,000.00	Accrued employee remuneration and reimbursement of business expenses
Mr. Tan Kee Hong	26,980.55	26,000.00	Accrued employee remuneration and reimbursement of business expenses
Ms. Zhao Xin	322,334.72	100,000.00	Accrued employee remuneration
Mr. Guo Wenqun	110,000.00	110,000.00	Accrued employee remuneration
Mr. Leu Yong Ren	29,584.00	29,000.00	Accrued employee remuneration
Ms. Tong Xiao Li	38,266.66	38,000.00	Accrued employee remuneration
Total amount to be capitalised (S$)		**1,315,200.00**	

The amounts owing to the Participating Creditors are unsecured and non-interest bearing. The Relevant Debt represents the whole or part of the total amount owing by the Company to each Participating Creditor. The balance (if any) of the amounts owing to each Participating Creditor not capitalised pursuant to the Proposed Debt Capitalisation will remain outstanding and payable by the Company to such Participating Creditor.

2.2 Conversion Price

2.2.1 The Shares to be issued pursuant to the Proposed Debt Capitalisation (each a "**Conversion Share**") shall be issued at the issue price of S$0.0040 per Conversion Share (the "**Conversion Price**").

2.2.2 The Conversion Price of S$0.0040 represents (a) a premium of approximately 33.15% to the volume weighted average price ("VWAP") of S$0.0030 per Share for trades done on the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 3 November 2026, being the last full market day up to the time immediately prior to the signing of the Capitalisation Deed, and (b) a premium of approximately 2.56% to the VWAP of S$0.0039 per Share for trades done on the SGX-ST over a period of one month up to and including 3 November 2026.

2.2.3 The Conversion Price was arrived at after taking into consideration, among others, the prevailing market conditions and financial performance of the Group, the recent Share price, the rationale for the Proposed Debt Capitalisation as set out in Section 4 below and following arm's length negotiations between the Company and the Participating Creditors.

2.3 Conversion Shares

2.3.1 Based on the Conversion Price**,** the number of Conversion Shares to be issued to each Participating Creditor is as follows:

Participating Creditor	Relevant Debt (S$)	Number of Conversion Shares
Dr. Zhang Jian	588,000.00	147,000,000
Mr. Chong Eng Wee	57,600.00	14,400,000
Dr. Toh Lim Kai	57,600.00	14,400,000
Mr. Tan Lye Heng Paul	40,000.00	10,000,000
Evolve Capital Advisory Private Limited	177,000.00	44,250,000
Mr. Ong Hon Hsiang William	92,000.00	23,000,000
Mr. Tan Kee Hong	26,000.00	6,500,000
Ms. Zhao Xin	100,000.00	25,000,000
Mr. Guo Wenqun	110,000.00	27,500,000
Mr. Leu Yong Ren	29,000.00	7,250,000
Ms. Tong Xiao Li	38,000.00	9,500,000
Total	**S$1,315,200.00**	**328,800,000**

The Conversion Shares represent approximately 17.47% of the existing share capital of the Company comprising 1,881,765,573 Shares and approximately 14.87% of the Company's enlarged share capital comprising 2,210,565,573 Shares after (and assuming) completion of the allotment and issuance of all 328,800,000 Conversion Shares to the Participating Creditors ("**Completion**").

No placement agent was appointed (or is to be appointed) for the Proposed Debt Capitalisation or the allotment and issuance of the Conversion Shares.

There are also no share borrowing arrangements entered into the facilitate the Proposed Debt Capitalisation and no moratorium has been imposed by the Company on the Conversion Shares.

2.4 Ranking

The Conversion Shares shall, when allotted and issued, be credited as fully paid up free of any encumbrances and shall rank *pari passu* with all other then-existing Shares, except that the Conversion Shares shall not be entitled to any dividends, rights, allotments or other distributions, the record date for which falls on or before the allotment and issue of such Conversion Shares.

For the purposes of this announcement, "**record date**" means the date fixed by the Company for the purposes of determining the entitlements to dividends, rights, allotments or other distributions of holders of its securities.

2.5 Conditions

2.5.1 Completion of the allotment and issuance of the relevant Conversion Shares to each Participating Creditor is conditional upon the fulfilment of the following conditions precedent:

(a) the Company having received, at an extraordinary general meeting of the Company to be convened, all relevant approvals from its shareholders (the "**Shareholders**") as required under its constitution, the Catalist Rules and any other applicable laws for the allotment and issuance of the Conversion Shares to such Participating Creditor and the transactions contemplated in the Capitalisation Deed in respect of such Participating Creditor and the transactions contemplated in the Capitalisation Deed in respect of such Participating Creditor, and such approvals remaining in full force and effect and not being revoked or amended, and (if applicable) where any such approval is subject to any conditions, such conditions being acceptable to the Company and such Participating Creditor and, to the extent that any such conditions are required to be fulfilled on or before the date of issuance of such Conversion Shares, they are so fulfilled;

(b) the Company having received from the SGX-ST of its approval in-principle for the listing and quotation of the Conversion Shares to be issued to such Participating Creditor on the Catalist board of the SGX-ST (the "**Listing Approval**"), such Listing Approval remaining in full force and effect and not having been revoked or amended, and where such Listing Approval is subject to any condition(s), such condition(s) being acceptable to the Company, and (if applicable) where any condition(s) attached to the Listing Approval is required to be fulfilled on or before the date of issuance of such Conversion Shares, such condition(s) having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST;

(c) the allotment and issue, as well as the listing and quotation, of the relevant Conversion Shares to such Participating Creditor and the transactions contemplated in the Capitalisation Deed in respect of such Participating Creditor not being prohibited by any applicable laws; and

(d) the representations and warranties of such Participating Creditor made pursuant to the Capitalisation Deed remaining true, complete and accurate,

(collectively, the "**Conditions**" and each a "**Condition**").

2.5.2 The Company and a Participating Creditor may mutually agree in writing to waive any of the Conditions to effect completion of the allotment and issue of the relevant Conversion Shares to such Participating Creditor to the extent that such waiver is not in breach of (or will not result in a breach of) any applicable laws.

2.5.3 If any of the Conditions applicable to the Company and a Participating Creditor are not satisfied (or, as the case may be, waived in accordance with the terms of the Capitalisation Deed) within **3** months from the date of the Capitalisation Deed or such other date as may be mutually agreed between the Company and that Participating Creditor, all the provisions of the Capitalisation Deed (except for the provisions therein which are expressed or implied to survive, or from which nature or context it is contemplated that they are to survive, termination of the Capitalisation Deed) shall lapse and cease to have any effect as between the Company and that Participating Creditor, and neither the Company nor the relevant Participating Creditor shall have any claim against the other under the Capitalisation Deed, save for any antecedent breach under the Capitalisation Deed.

2.6 Completion

Completion of the allotment and issuance of the relevant Conversion Shares to a Participating Creditor shall take place within **7** business days after the date of fulfilment (or waiver) of the

last of the Conditions (or such other date as the Company and that Participating Creditor may agree in writing).

Completion for each Participating Creditor may proceed independently and shall not be conditional upon successful completion of the allotment and issuance of Conversion Shares for any other Participating Creditor.

3. INFORMATION ON THE PARTICIPATING CREDITORS

3.1 Dr. Zhang Jian

Dr. Zhang Jian is the Company's Chairman and Executive Director. As at the date of this announcement, he holds approximately 22.27% direct and deemed interests in the Company and is, therefore, a controlling Shareholder of the Company (and a substantial Shareholder of the Company). The following table sets out the number of Shares (or, as the case may be, interests in Shares) held by Dr. Zhang Jian as at the date of this announcement.

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% (1)	No. of Shares	% (1)	No. of Shares	% (1)
Dr. Zhang Jian (2)	331,616,714	17.62	87,428,571	4.65	419,045,285	22.27

Notes:

(1) Based on the Company's entire issued share capital of 1,881,765,573 Shares (excluding treasury shares) as at the date of this announcement.

(2) Dr. Zhang Jian holds interests in an aggregate of 419,045,285 Shares comprising: (a) 331,616,714 Shares held directly; and (b) 87,428,571 Shares held by his daughter, Ms. Zhang Yulei, and in which he is deemed to be interested.

3.2 Independent Directors of the Company

Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul are the Company's Independent Directors. The following table sets out the shareholding interests of Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Paul Tan in the Company as at the date of this announcement.

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% (1)	No. of Shares	% (1)	No. of Shares	% (1)
Mr. Chong Eng Wee	3,300,000	0.18	-	-	3,300,000	0.18
Dr. Toh Lim Kai	2,700,000	0.14	-	-	2,700,000	0.14
Mr. Tan Lye Heng Paul	2,700,000	0.14	-	-	2,700,000	0.14

Note:

(1) Based on the Company's entire issued share capital of 1,881,765,573 Shares (excluding treasury shares) as at the date of this announcement.

3.3 Evolve Capital Advisory Private Limited

Evolve Capital Advisory Private Limited is the continuing sponsor of the Company. As at the date of this announcement, it holds 5,643,000 Shares, representing approximately 0.30% of the Company's issued share capital.

Save as disclosed above, Evolve Capital Advisory Private Limited does not have any other connection (including any other business relationship or other dealings) with the Company, its Directors and, as far as the Company is aware, the substantial Shareholders of the Company.

3.4 Mr. Ong Hon Hsiang William

Mr. Ong Hon Hsiang William was the former Executive director and Chief Executive Officer of AJJ Healthcare Management Pte. Ltd., a subsidiary of the Company. As at the date of this announcement, he holds 1,218,700 Shares, representing approximately 0.06% of the Company's issued share capital.

3.5 Mr. Tan Kee Hong

Mr. Tan Kee Hong was the Financial Controller of the Group from 9 September 2025 to 30 June 2026. As at the date of this announcement, he holds 783,700 Shares, representing approximately 0.04% of the Company's issued share capital.

3.6 Ms. Zhao Xin

Ms. Zhao Xin was the Chief Executive Officer and Executive Director of the Company until 15 May 2026. She is still currently an employee of the Group. As at the date of this announcement, she holds 32,187,436 Shares, representing approximately 1.71% of the Company's issued share capital.

3.7 Mr. Guo Wenqun

Mr. Guo Wenqun is an employee of the Group. As at the date of this announcement, he holds 26,136,364 Shares, representing approximately 1.39% of the Company's issued share capital.

3.8 Mr. Leu Yong Ren

Mr. Leu Yong Ren is an employee of the Group. As at the date of this announcement, he holds 3,000,000 Shares, representing approximately 0.16% of the Company's issued share capital.

3.9 Ms. Tong Xiao Li

Ms. Tong Xiao Li is an employee of the Group. As at the date of this announcement, as far as the Company is aware, she does not have any shareholding interests (direct or deemed) in the Company.

4. RATIONALE FOR THE PROPOSED DEBT CAPITALISATION

The Company is undertaking the Proposed Debt Capitalisation as it will enable the Group to:

(a) reduce its current liabilities and settle the outstanding amounts (or part thereof) owed by the Company to the Participating Creditors as at the date of the Capitalisation Deed;

(b) eliminate one of the competing needs for working capital and reduce the Company's net tangible liabilities ("**NTL**") value and loss per share ("**LPS**");

(c) eliminate the need for any cash repayment or payment in view of the current financial and cash position of the Group; and

(d) allow the Group to focus its resources on stabilising its business activities and improving its financial position.

The Board is of the opinion that the successful completion of the Proposed Debt Capitalisation will enable the Group to allocate more of its cash flow to ongoing business activities and potential growth opportunities rather than being constrained by debt servicing obligations. By strengthening the Group's balance sheet and capital base, the Proposed Debt Capitalisation may also enhance the Group's ability to obtain financing on more favourable terms and attract new investment to support its business plans.

5. SHAREHOLDERS' APPROVAL

5.1 Rule 805(1) - Specific Mandate

Section 161 of the Companies Act 1967 of Singapore and Rule 805(1) of the Catalist Rules provide, among others, 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 such issue of shares or convertible securities or such 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.

The Company will not be relying on the general mandate previously obtained from Shareholders at the latest annual general meeting of the Company held on 30 April 2026 for the allotment and issue of the Conversion Shares to the Participating Creditors. The allotment and issue of the Conversion Shares to the Participating Creditors will be made pursuant to a specific mandate and as such, the Company will be seeking specific Shareholder's approval for the allotment and issue of the Conversion Shares to the Participating Creditors in accordance with Rule 805(1) of the Catalist Rules.

5.2 Rule 804 and Rule 812 - Issuance of Shares to Restricted Persons

Pursuant to Rule 804 of the Catalist Rules, except in the case of an issue made on a pro rata basis to shareholders or under 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. Such directors and their associates must abstain from exercising any voting rights on the matter.

In addition, Rule 812 of the Catalist Rules further provides, among others, that an issue must not be placed to an issuer's directors and substantial shareholders unless specific shareholder approval for such a placement has been obtained and the director or substantial shareholder and their respective associates abstain from voting on the resolution approving the placement.

Dr. Zhang Jian is the Company's Chairman and Executive Director, and a Controlling Shareholder, holding more than 15% of the issued Shares as at the date of this announcement. Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul are the Company's Independent Directors.

Accordingly, pursuant to Rule 804 and Rule 812 of the Catalist Rules, the Company will be seeking specific Shareholders' approval for the allotment and issue of the relevant Conversion Shares to each of Dr. Zhang Jian, Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul.

Pursuant to Rule 804 and Rule 812(2) of the Catalist Rules:

(a) Dr. Zhang Jian shall abstain, and shall procure that his associates abstain, from exercising their voting rights in respect of all existing issued Shares held by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolution to approve the issuance of such number of Conversion Shares to Dr. Zhang Jian pursuant to the Proposed Debt Capitalisation (the "**Proposed ZJ Debt Capitalisation**");

(b) Mr. Chong Eng Wee shall abstain, and shall procure that his associates abstain, from exercising their voting rights in respect of all existing issued Shares held by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolution to approve the issuance of such number of Conversion Shares to Mr. Chong Eng Wee pursuant to the Proposed Debt Capitalisation;

(c) Dr. Toh Lim Kai shall abstain, and shall procure that his associates abstain, from exercising their voting rights in respect of all existing issued Shares held by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolution to approve the issuance of such number of Conversion Shares to Dr. Toh Lim Kai pursuant to the Proposed Debt Capitalisation; and

(d) Mr. Tan Lye Heng Paul shall abstain, and shall procure that his associates abstain, from exercising their voting rights in respect of all existing issued Shares held by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolution to approve the issuance of such number of Conversion Shares to Mr. Tan Lye Heng Paul pursuant to the Proposed Debt Capitalisation.

6. INTERESTED PERSON TRANSACTION

6.1 Interested Persons

Dr. Zhang Jian is the Company's Chairman and Executive Director, and a controlling Shareholder of the Company. Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul are the Company's Independent Directors.

Dr. Zhang Jian, Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul are therefore interested persons of the Company within the meaning of Chapter 9 of the Catalist Rules vis-a-vis the Company, which is regarded as an "entity at risk" pursuant to Chapter 9 of the Catalist Rules.

Accordingly, the issuance of such number of Conversion Shares to each of Dr. Zhang Jian, Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul each constitutes an interested person transaction ("**IPT**") under Chapter 9 of the Catalist Rules.

6.2 NTL of the Group

Based on the Group's latest audited consolidated financial statements for the financial year ended 31 December 2025 ("**FY2025**"), the latest audited NTL (or negative net tangible assets ("**NTA**")) of the Group was approximately S$2.80 million.

Pursuant to Rules 905(4) and 906(3) of the Catalist Rules, if the group's latest NTA is negative, the issuer should consult the SGX-ST on the appropriate benchmark to calculate the relevant

thresholds in Rules 905(1), 905(2) and 906(1) of the Catalist Rules, which may be based on the Company's market capitalisation.

The Company will be consulting the SGX-ST, through its Sponsor, on the appropriate benchmark to calculate the relevant threshold of the interested person transaction for the purpose of compliance with Chapter 9 of the Catalist Rules. The Company shall make an appropriate announcement to update the Shareholders as and when there are any material updates or developments, including any relevant regulatory developments.

6.3 Value of IPT

Rule 909 of the Catalist Rules provides that the value of a transaction is the amount at risk to the issuer.

The Company considers the value of the Proposed ZJ Debt Capitalisation to be S$588,000.00, being the amount owed to Dr. Zhang Jian which was agreed to be capitalised under the Capitalisation Deed. Assuming that the market capitalisation of the Company is used as the basis for the computation of the interested person transaction materiality threshold, the Proposed ZJ Debt Capitalisation represents approximately 10.42% of the market capitalisation of the Company of approximately S$5,645,296.72. The market capitalisation is derived by multiplying the issued share capital of the Company of 1,881,765,573 Shares as at the date of this announcement by the VWAP of S$0.0030 per Share on 3 November 2026, being the last full market day up to the time immediately prior to the signing of the Capitalisation Deed.

As the value of the Proposed ZJ Debt Capitalisation represents more than 5% of the market capitalisation of the Company, Shareholders' approval will be required for the Proposed ZJ Debt Capitalisation pursuant to Rule 906(1) of the Catalist Rules.

Notwithstanding that Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul are interested persons under Rule 904(4) of the Catalist Rules, the issuance of the relevant Conversion Shares to each of Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul is not an interested person transaction requiring Shareholders' approval under Rule 906(1) of the Catalist Rules as:

(a) the Relevant Debt for each of them is less than S$100,000 and is therefore excluded pursuant to Rule 906(2) of the Catalist Rules;

(b) each of Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul are not immediate family members and not associates (as defined in the Catalist Rules) of each other and accordingly, the allotment and issue of their respective Conversion Shares pursuant to the Proposed Debt Capitalisation, respectively, is not aggregated under Rule 908 of the Catalist Rules; and

(c) the allotment and issuance of the relevant Conversion Shares to each of Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul pursuant to the Proposed Debt Capitalisation are in settlement of part of the outstanding director's fees payable to each of them, and therefore, falls within the exemption under Rule 915(8) of the Catalist Rules, which exempts interested person transactions involving the payment of, among others, directors' fees and remuneration from compliance with Rules 905, 906 and 907 of the Catalist Rules.

6.4 Total Value of IPTs

As at the date of this announcement and since the commencement of the current financial year on 1 January 2026, save for the Proposed ZJ Debt Capitalisation and the proposed allotment and issuance of such number of Conversion Shares to each of Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul pursuant to the Proposed Debt Capitalisation, there are no interested person transactions over $100,000 entered into by the Group with the Participating Creditors or any of them (as an interested person).

The aggregate value of all interested person transactions entered into by the Group for the current financial year commencing on 1 January 2026 up to the date of this announcement (excluding transactions which are less than S$100,000 and the Proposed Debt Capitalisation) is zero.

6.5 Appointment of Independent Financial Adviser

As the Proposed ZJ Debt Capitalisation is an interested person transaction and each member of the Audit Committee of the Company is also participating in the Proposed Debt Capitalisation as a Participating Creditor, receiving Conversion Shares in settlement of part of his outstanding director's fees at the same Conversion Price as that applicable to the Proposed ZJ Debt Capitalisation, the Company has appointed ZICO Capital Pte. Ltd. to act as the independent financial adviser (the "**IFA**") to advise the non-interested Director(s) as to whether the Proposed ZJ Debt Capitalisation and the proposed allotment and issuance of the respective Conversion Shares to each of Mr. Chong Eng Wee, Dr. Toh Lim Kai and Mr. Tan Lye Heng Paul pursuant to the Proposed Debt Capitalisation (as well as all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules):

(a) is on normal commercial terms; and

(b) is prejudicial to the interests of the Company and its minority Shareholders.

The Company will subsequently announce the opinion and advice of the IFA.

6.6 Abstention from voting

Rule 919 of the Catalist Rules states that interested persons shall abstain and undertake that their associates shall abstain from voting on the resolution approving interested person transactions involving them and the Group. Such interested persons and their associates also shall not act as proxies in relation to such resolutions unless specific voting instructions have been given by the relevant Shareholder.

Accordingly, Dr. Zhang Jian shall abstain, and undertake that his associates shall abstain, from voting in respect of each of their shareholdings in the Company on the resolution approving the Proposed ZJ Debt Capitalisation.

In addition, Dr. Zhang Jian and his associates shall decline appointment(s) as proxy(ies) to vote at the forthcoming EGM for other Shareholders in respect of the resolutions approving the Proposed ZJ Debt Capitalisation, unless the Shareholders concerned have given specific instructions as to the manner in which his/her/its votes are to be cast at the EGM.

The Company will disregard any votes cast on resolutions by persons required to abstain from voting under the relevant Catalist Rules.

7. FINANCIAL EFFECTS OF THE PROPOSED DEBT CAPITALISATION

7.1 Bases and Assumptions

The financial effects of the Proposed Debt Capitalisation on the share capital, LPS and NTL per Share of the Group have been prepared based on the audited consolidated financial statements of the Group for FY2025. The *pro forma* financial effects of the Proposed Debt Capitalisation are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following Completion.

For illustration purposes only, the financial effects of the Proposed Debt Capitalisation have been computed based on the following assumptions:

(a) the financial effects on the Group's NTL attributable to the Shareholders and the NTL per Share have been computed assuming that Completion took place on 31 December 2025, being the end of the most recently completed financial year;

(b) the financial effects on the Group's loss attributable to the Shareholders and LPS have been computed assuming that Completion took place on 1 January 2025, being the beginning of the most recently completed financial year;

(c) the costs and expenses incurred or to be incurred in connection with the placement completed on 29 October 2026 and the Proposed Debt Capitalisation have been disregarded for the purposes of illustrating the financial effects set out below, as the final aggregate amount of such costs and expenses has not been determined as at the date of this announcement; and

(d) the existing number of issued and paid-up share capital of the Company comprises 1,881,765,573 Shares.

7.2 Share Capital

	No. of Shares	($'000)
Issued and paid-up share capital	1,881,765,573	48,785
Add:-		
Conversion Shares to be allotted and issued	328,800,000	1,315
Enlarged share capital after Completion	2,210,565,573	50,100

7.3 NTA/(NTL) per Share

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
NTA/(NTL) (See Note) attributable to Shareholders (S$)	(2,920,000)	(1,604,800)
Number of Shares	1,881,765,573	2,210,565,573

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
NTA/(NTL) per Share attributable to Shareholders (Singapore cents)	(0.16)	(0.07)

Note: NTA/(NTL) is computed based on total assets less total liabilities and intangible assets.

7.4 LPS

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
Net loss after tax attributable to Shareholders (S$)	(2,931,000)	(2,931,000)
Weighted average number of Shares	1,529,480,768	1,858,280,768
LPS (Singapore cents)	(0.19)	(0.16)

7.5 Gearing

	Before Proposed Debt Capitalisation	After Proposed Debt Capitalisation
Total borrowings (S$) (1)	1,324,000	832,000
Net borrowings (S$) (2)	910,000	418,000
Total equity	(2,713,000)	(1,397,800)
Gearing ratio (times) (3)	n.m.(5)	n.m.(5)
Net gearing ratio (times) (4)	n.m.(5)	n.m.(5)

Notes:

(1) As at 31 December 2025, the total borrowings of the Company is a summation of borrowings from financial institutions and loans from creditors.

(2) Net borrowings are total borrowings less cash and cash equivalents as at 31 December 2025.

(3) Gearing ratio is computed using total borrowings divided by total equity.

(4) Net gearing ratio is computed using net borrowings divided by total equity.

(5) Not meaningful as the Group's total shareholders' equity was negative both before and after the Proposed Debt Capitalisation.

8. ADDITIONAL LISTING APPLICATION

Evolve Capital Advisory Private Limited, the Company's Sponsor, will be submitting application(s) to the SGX-ST, on behalf of the Company, for the listing and quotation of the 328,800,000 Conversion Shares on the Catalist of the SGX-ST. The Company will make the relevant announcement(s) to notify the Shareholders when the Listing Approval from the SGX-ST is obtained.

9. DIRECTORS' CONFIRMATION

The Proposed Debt Capitalisation will not result in any new cash proceeds for the Company. The Directors are of the opinion that, after taking into consideration the present bank facilities, internal resources, operating cashflow and net proceeds of the placement recently completed on 29 October 2026, the working capital available to the Group is sufficient to meet its present requirements.

10. OBLIGATION TO MAKE A MANDATORY OFFER UNDER RULE 14 OF THE CODE

Pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), except with the consent of the Securities Industry Council, where:

(a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or

(b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1.0% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares (the "**Mandatory Offer**"). In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend a Mandatory Offer.

Pursuant to the Code, Dr. Zhang Jian and his daughter, Ms. Zhang Yulei, are presumed to be persons acting in concert with each other (the "**ZJ Concert Party Group**").

As at the date of this announcement, the ZJ Concert Party Group collectively hold 419,045,285 Shares, representing approximately 22.27% of the existing issued and paid-up share capital of the Company. Following (and assuming) Completion, the ZJ Concert Party Group will collectively hold 566,045,285 Shares, representing approximately 25.61% of the enlarged issued and paid-up share capital of the Company following the Proposed Debt Capitalisation. As such, the issuance of the relevant Conversion Shares to Dr. Zhang Jian pursuant to the Proposed Debt Capitalisation will not trigger an obligation on the ZJ Concert Party Group to extend a Mandatory Offer under Rule 14 of the Code.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The shareholding interests of the Directors, substantial Shareholders of the Company and the Creditors, as a percentage of the share capital of the Company as at the date of this announcement, and as a percentage of the enlarged share capital of the Company after (and assuming) Completion, are as set out in **Annex**.

Save for their respective directorships and/or shareholding interests in the Company and/or its subsidiaries (as the case may be) and save as disclosed in this announcement, none of the Directors or their associates or, as far as the Company is aware, substantial Shareholders or their associates, has any interest, direct or indirect, in the Proposed Debt Capitalisation.

12. CIRCULAR TO SHAREHOLDERS

As the Proposed Debt Capitalisation is conditional upon the Company having obtained Shareholders' approval(s) in an extraordinary general meeting of the Company, a circular to the Shareholders containing, among others, further information on the Proposed Debt Capitalisation (and the proposed issuance of the Conversion Shares to the Participating Creditors) will be despatched to Shareholders in due course.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

14. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Debt Capitalisation is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that Completion will take place or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Capitalisation Deed is available for inspection at the Company's registered office at 8 Commonwealth Lane, #02-04, Grande Building, Singapore 149555 during normal business hours for a period of 3 months commencing from the date of this announcement.

By Order of the Board

Dr. Tan Wei Jie
Chief Executive Officer and Executive Director

4 November 2026

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

The contact person for the Sponsor is Mr. Jerry Chua (Tel: (65) 6241 6626), at 160 Robinson Road, #20-01/02, SBF Centre, Singapore 068914.

Annex

(Shareholding interests of Directors, Substantial Shareholders and Participating Creditors)

	As at the date of this announcement				Upon Completion			
	Direct		Deemed		Direct		Deemed	
	No. of Shares	% [1]	No. of Shares	% [1]	No. of Shares	% [2]	No. of Shares	% [2]
Directors								
Dr. Zhang Jian [3]	331,616,714	17.62	87,428,571	4.65	478,616,714	21.65	87,428,571	3.96
Dr. Tan Wei Jie	5,543,900	0.29	-	-	5,543,900	0.25	-	-
Mr. Chong Eng Wee	3,300,000	0.18	-	-	17,700,000	0.80	-	-
Dr. Toh Lim Kai	2,700,000	0.14	-	-	17,100,000	0.77	-	-
Mr. Tan Lye Heng Paul	2,700,000	0.14	-	-	12,700,000	0.57	-	-
Substantial Shareholders (other than Directors)								
Ms. Zhang Yulei	87,428,571	4.65	-	-	87,428,571	3.96	-	-
Participating Creditors (other than Directors and Substantial Shareholders)								
Evolve Capital Advisory Private Limited	5,643,000	0.30	-	-	49,893,000	2.26	-	-
Mr. Ong Hon Hsiang William	1,218,700	0.06	-	-	24,218,700	1.10	-	-
Mr. Tan Kee Hong	783,700	0.04	-	-	7,283,700	0.33	-	-
Ms. Zhao Xin	32,187,436	1.71	-	-	57,187,436	2.59	-	-
Mr. Guo Wenqun	26,136,364	1.39	-	-	53,636,364	2.43	-	-
Mr. Leu Yong Ren	3,000,000	0.16	-	-	10,250,000	0.46	-	-
Ms. Tong Xiao Li	-	-	-	-	9,500,000	0.43	-	-

Notes:

(1) Based on the issued share capital of the Company comprising 1,881,765,573 Shares as at the date of this announcement. The Company does not have any treasury shares.

(2) Based on the enlarged share capital of the Company of 2,210,565,573 Shares after (and assuming) the allotment and issuance of 328,800,000 Conversion Shares to the Participating Creditors ("**Completion**").

(3) As at the date of this announcement, Dr. Zhang Jian holds interests in an aggregate of 419,045,285 Shares comprising: (a) 331,616,714 Shares held directly; and (b) 87,428,571 Shares held by his daughter, Ms. Zhang Yulei, and in which he is deemed to be interested. Upon (and assuming) Completion, Dr. Zhang Jian will hold interests in an aggregate of 566,045,285 Shares comprising: (a) 478,616,714 Shares held directly; and (b) 87,428,571 Shares held by his daughter, Ms. Zhang Yulei, and in which he is deemed to be interested.