

**CIRCULAR DATED 24 DECEMBER 2021**

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

**IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

If you have sold or transferred all your ordinary shares in the capital of QT Vascular Ltd. ("**Company**") through the Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as this Circular, together with the Notice of EGM and Proxy Form (as defined herein) may be accessed at the Company's website at <https://qtvascular.com/> and SGXNet. If you have sold or transferred all your shares which are not deposited with CDP, you should inform the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward notification to the purchaser or the transferee that this Circular, together with the Notice of EGM and the accompanying Proxy Form, can be accessed via SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website.

This Circular has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

Terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.



**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO**

- (1) **PROPOSED ACQUISITION OF 60% OF THE HEALTHCARE GROUP;**
- (2) **PROPOSED DIVERSIFICATION INTO THE NEW BUSINESSES;**
- (3) **PROPOSED ALLOTMENT AND ISSUE OF 4,055,555,556 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO THE INVESTORS PURSUANT TO THE PROPOSED SUBSCRIPTION AT THE ISSUE PRICE OF S\$0.0018 PER SUBSCRIPTION SHARE;**
- (4) **PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE INVESTORS;  
AND**
- (5) **PROPOSED DISTRIBUTION.**

**Financial Adviser in relation to the Proposed Acquisition and the Proposed Diversification**



**PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.**  
(Company Registration No. 200207389D)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	6 January 2022 at 9.30 a.m.
Date and time of Extraordinary General Meeting	:	8 January 2022 at 9.30 a.m.
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means

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## DEFINITIONS

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

- "Act"** : The Companies Act (Chapter 50) of Singapore, as may be amended, modified or supplemented from time to time
- "Acquisition First Supplemental Agreement"** : The first supplemental agreement dated 30 November 2021 entered into between the Company and the Vendor in relation to the extension of the long-stop date under the SPA
- "Acquisition Third Supplemental Agreement"** : The third supplemental agreement dated 22 December 2021 entered into between the Vendors and the Company in relation to the variations set out in paragraph 1.8 of this Circular to facilitate the implementation and completion of the Proposed Acquisition and the warranties and indemnities in relation to the Sale Shares and the Healthcare Group
- "Aggregate EBITDA"** : Has the meaning ascribed to it in paragraph 2.5(a)(iii) of this Circular
- "Aggregate EBITDA Threshold"** : Has the meaning ascribed to it in paragraph 2.5(a)(iii) of this Circular
- "Aggregated Transactions"** : Has the meaning ascribed to it in paragraph 3.12 of this Circular
- "Announcement"** : The announcement dated 25 May 2021 made by the Company on the SGXNET in relation to the Proposed Transactions
- "Asia Healthcare Dental"** : Asia Healthcare Dental Pte. Ltd.
- "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% or more
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "Board"** : The board of Directors of the Company

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## DEFINITIONS

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"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, or modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Chairman of the EGM"	:	The chairman of the EGM
"Circular"	:	This circular to Shareholders dated 24 December 2021
"Code"	:	The Singapore Code on Take-overs and Mergers
"Company"	:	QT Vascular Ltd.
"Completion Date"	:	The date of completion of the Proposed Transactions
"Conflicted Individual"	:	Has the meaning ascribed to it in paragraph 3.8 of this Circular
"Consideration Shares"	:	277,777,778 new shares in the capital of the Company to be issued and allotted to the Vendor upon completion of the Proposed Acquisition
"Constitution"	:	The constitution of the Company as may be amended, modified or supplemented from time to time
"Consultancy Agreement"	:	The consultancy agreement dated 12 October 2021 entered into between the Target Company and PWG, further details of which are set out in paragraph 2.2(b) of this Circular
"Consultancy Services"	:	Has the meaning ascribed to it in paragraph 3.2(a) of this Circular
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
"Controlling Interest"	:	The interest of a Controlling Shareholder(s)
"Controlling Shareholder"	:	A person who:  (a) holds directly or indirectly 15% or more of the total issued share capital of the Company; or  (b) in fact exercises control over the Company
"Corporate Dental"	:	Corporate Dental Pte. Ltd.
"Deed of Assignment"	:	Has the meaning ascribed to it in paragraph 2.5(b) of this Circular
"Dental Services"	:	Has the meaning ascribed to it in paragraph 3.2(a) of this Circular
"Director"	:	A director of the Company (whether executive or non-executive) as at the date of this Circular and the term "Directors" shall be construed accordingly
"Dr. Jimmy Gian"	:	Dr. Gian Siong Lin Jimmy

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## DEFINITIONS

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<b>"Earn-Out Amount"</b>	:	Has the meaning ascribed to it in paragraph 2.4(c) of this Circular
<b>"EBITDA"</b>	:	Earnings before interest, tax, depreciation and amortisation
<b>"EGM" or "Extraordinary General Meeting"</b>	:	The extraordinary general meeting of the Company to be held on 8 January 2022 at 9.30 a.m. by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS), notice of which is set out on pages N-1 to N-5 of this Circular
<b>"Enlarged Share Capital"</b>	:	Has the meaning ascribed to it in paragraph 2.6 of this Circular
<b>"Entitled Shareholders"</b>	:	Shareholders who are registered as such on a date and time prior to the completion of the Proposed Subscription to be announced by the Company, at which time the share transfer books and the Register of Members of the Company will be closed to determine the entitlements of Shareholders in respect of the Proposed Distribution. For the avoidance of doubt, such Entitled Shareholders excludes new shares to be issued pursuant to the Proposed Subscription and the Proposed Acquisition.
<b>"Existing Business"</b>	:	The principal activities of the Company and its subsidiaries, being the design, assembly and distribution of advanced therapeutic solutions for the minimally invasive treatment of complex vascular diseases
<b>"FDA"</b>	:	United States Food and Drug Administration
<b>"First Lock-up Period"</b>	:	Has the meaning ascribed to it in paragraph 4.6 of this Circular
<b>"First Major Transaction"</b>	:	Has the meaning ascribed to it in paragraph 3.12 of this Circular
<b>"FY"</b>	:	Financial year ended 31 December
<b>"Group"</b>	:	Collectively, the Company and its subsidiaries
<b>"GV APA"</b>	:	Has the meaning ascribed to it under paragraph 4.5(c) of this Circular
<b>"Healthcare Business"</b>	:	Has the meaning ascribed to it in paragraph 3.2(a) of this Circular
<b>"Healthcare Group"</b>	:	Has the meaning ascribed to it in paragraph 2.2(a) of this Circular
<b>"Healthcare Group Pro Forma Report"</b>	:	Has the meaning ascribed to it in paragraph 2.2(d) of this Circular
<b>"Healthcare Group Restructuring"</b>	:	Has the meaning ascribed to it in paragraph 2.2(b) of this Circular
<b>"Historical EBITDA"</b>	:	Has the meaning ascribed to it in paragraph 2.4 of this Circular
<b>"Issue Price"</b>	:	The issue price of each Subscription Share of S\$0.0018
<b>"Investors"</b>	:	Mr. Thomas Tan Gim Chua, Mr. Quek Chin Thean, Mr. Chong Leong Fah Derrick and "Investor" shall mean any one of them
<b>"Latest Practicable Date"</b>	:	13 December 2021

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## DEFINITIONS

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<b>"Liabilities"</b>	:	Has the meaning ascribed to it under paragraph 4.5(c) of this Circular
<b>"Listing Date"</b>	:	Has the meaning ascribed to it in paragraph 4.6 of this Circular
<b>"LPS"</b>	:	Loss per Share
<b>"LQN"</b>	:	The listing and quotation notice obtained by the Company from the SGX-ST for the listing of, and quotation of up to 4,333,333,334 Shares
<b>"Major Transaction"</b>	:	Has the meaning ascribed to it in paragraph 3.12 of this Circular
<b>"Market Day"</b>	:	A day on which the SGX-ST is open for trading in securities
<b>"Medical and Wellness Business"</b>	:	Has the meaning ascribed to it in paragraph 3.2(c) of this Circular
<b>"Medical Equipment"</b>	:	Has the meaning ascribed to it in paragraph 3.2(b) of this Circular
<b>"Medical Equipment Business"</b>	:	Has the meaning ascribed to it in paragraph 3.2(b) of this Circular
<b>"Net Proceeds"</b>	:	Has the meaning ascribed to it under paragraph 4.7 of this Circular
<b>"New Businesses"</b>	:	The Healthcare Business, the Medical Equipment Business and the Medical and Wellness Business collectively and "New Business" shall mean any one of them
<b>"NewCo"</b>	:	Has the meaning ascribed to it in paragraph 1.6 of this Circular
<b>"Notice of EGM"</b>	:	The notice of EGM as set out on pages N-1 to N-5 of this Circular
<b>"Non-compete Undertaking"</b>	:	Has the meaning ascribed to it in paragraph 3.8 of this Circular
<b>"NTA"</b>	:	Net tangible assets
<b>"NTA of the Healthcare Group"</b>	:	Has the meaning ascribed to it in paragraph 2.2(d) of this Circular
<b>"NTL"</b>	:	Net tangible liabilities
<b>"Ordinary Resolution"</b>	:	A resolution to be passed by more than 50% of Shareholders present and voting either in person or by proxy at the EGM, as set out in the Notice of EGM
<b>"Ordinary Resolution 1"</b>	:	Has the meaning ascribed to it under paragraph 1.10 of this Circular
<b>"Ordinary Resolution 2"</b>	:	Has the meaning ascribed to it under paragraph 1.10 of this Circular
<b>"Ordinary Resolution 3"</b>	:	Has the meaning ascribed to it under paragraph 1.10 of this Circular

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## DEFINITIONS

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<b>"Ordinary Resolution 4"</b>	:	Has the meaning ascribed to it under paragraph 1.10 of this Circular
<b>"Ordinary Resolution 5"</b>	:	Has the meaning ascribed to it under paragraph 1.10 of this Circular
<b>"Practice Note 10A"</b>	:	Practice Note 10A of the Catalist Rules
<b>"Proceeds"</b>	:	Has the meaning ascribed to it under paragraph 4.5(c) of this Circular
<b>"Proposed Acquisition"</b>	:	Has the meaning ascribed to it under paragraph 1.1 of this Circular
<b>"Proposed Diversification"</b>	:	Has the meaning ascribed to it under paragraph 1.2 of this Circular
<b>"Proposed Distribution"</b>	:	Has the meaning ascribed to it in paragraph 5 of this Circular
<b>"Proposed Restructuring"</b>	:	Has the meaning ascribed to it in paragraph 1.6 of this Circular
<b>"Proposed Subscription"</b>	:	Has the meaning ascribed to it under paragraph 1.3 of this Circular
<b>"Proposed Transactions"</b>	:	The Proposed Acquisition, the Proposed Diversification, the Proposed Subscription, the Proposed Transfer of Controlling Interest and the Proposed Distribution
<b>"Proposed Transfer of Listing Status"</b>	:	Has the meaning ascribed to it in paragraph 1.6 of this Circular
<b>"Proposed Transfer of Controlling Interest"</b>	:	The transfer of controlling interest in the Company to the Investors
<b>"Proxy Form"</b>	:	The proxy form in respect of the EGM as set out in this Circular
<b>"Purchase Consideration"</b>	:	Has the meaning ascribed to it in paragraph 2.4 of this Circular
<b>"PWG"</b>	:	PW Dental Group Pte. Ltd.
<b>"Register of Members"</b>	:	The register of members of the Company
<b>"Restrictions"</b>	:	Has the meaning ascribed to it in paragraph 4.6 of this Circular
<b>"Sale Shares"</b>	:	60 shares in the capital of the Target Company representing 60% of the entire issued and paid-up share capital of the Target Company
<b>"Scheme"</b>	:	Has the meaning ascribed to it in paragraph 1.6 of this Circular
<b>"Scheme Meeting"</b>	:	Has the meaning ascribed to it in paragraph 1.6 of this Circular
<b>"Seafarers Dental"</b>	:	Seafarers Dental Pte. Ltd.
<b>"Second Lock-up Period"</b>	:	Has the meaning ascribed to it in paragraph 4.6 of this Circular

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## DEFINITIONS

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<b>"Second Supplemental Agreement "</b>	:	The second supplemental agreement dated 16 December 2021 entered into between the Investors, the Vendor and the Company in relation to, <i>inter alia</i> , the variations set out in paragraph 1.8 of this Circular to facilitate the implementation and completion of the Proposed Acquisition and the Proposed Subscription
<b>"Securities Account"</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>"Securities and Futures Act" or "SFA"</b>	:	The Securities and Futures Act (Chapter 289) of Singapore, as may be amended, modified or supplemented from time to time
<b>"SGX-ST"</b>	:	Singapore Exchange Securities Trading Limited
<b>"Shareholders"</b>	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term <b>"Shareholders"</b> shall, where the context admits, mean persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
<b>"Shares"</b>	:	Ordinary shares in the capital of the Company
<b>"Shortfall Amount"</b>	:	Has the meaning ascribed to it in paragraph 2.5(a)(iii) of this Circular
<b>"SPA"</b>	:	The conditional sale and purchase agreement dated 25 May 2021 in relation to the Proposed Acquisition entered into between the Company and the Vendor, as supplemented by the Acquisition First Supplemental Agreement, the Second Supplemental Agreement and the Acquisition Third Supplemental Agreement
<b>"SPA CPs"</b>	:	Has the meaning ascribed to it in paragraph 2.8 of this Circular
<b>"Sponsor"</b>	:	PrimePartners Corporate Finance Pte. Ltd.
<b>"St. Andrew's Dental"</b>	:	St. Andrew's Dental Pte. Ltd.
<b>"Subscription Agreement"</b>	:	The subscription agreement dated 25 May 2021 in relation to the Proposed Subscription entered into between the Company and the Investors, as supplemented by the Subscription First Supplemental Agreement dated 30 November 2021, the Second Supplemental Agreement dated 16 December 2021 and the Subscription Third Supplemental Agreement dated 22 December 2021
<b>"Subscription Agreement Conditions Precedent"</b>	:	The Subscription Agreement conditions precedent set out in paragraph 4.5 of this Circular
<b>"Subscription Amount"</b>	:	S\$7,300,000
<b>"Subscription Shares"</b>	:	4,055,555,556 new shares in the capital of the Company
<b>"Subscription First Supplemental Agreement"</b>	:	The first supplemental agreement dated 30 November 2021 entered into between the Company and the Investors in relation



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## DEFINITIONS

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	to the extension of the long-stop date under the Subscription Agreement
" <b>Subscription Third Supplemental Agreement</b> "	: The third supplemental agreement dated 22 December 2021 entered into between the Investors and the Company in relation to the variations set out in paragraph 1.8 of this Circular to facilitate the implementation and completion of the Proposed Subscription
" <b>Substantial Shareholder</b> "	: A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than five 5% of the total votes attached to all the voting Shares in the Company
" <b>Summary Valuation Letter</b> "	: The summary letter of the Valuation Report set out in Appendix A
" <b>Supplemental Announcement</b> "	: The announcement dated 16 December 2021 made by the Company on the SGXNET in relation to the Second Supplemental Agreement
" <b>Target Company</b> "	: Asia Dental Group Pte. Ltd.
" <b>Third Tranche Earn-Out Amount</b> "	: Has the meaning ascribed to it in paragraph 2.5(a)(iii) of this Circular
" <b>TML</b> "	: TriReme Medical, LLC
" <b>TML Transaction</b> "	: Has the meaning ascribed to it in paragraph 2.8(c) of this Circular
" <b>Transferred Business and Assets</b> "	: Has the meaning ascribed to it in paragraph 2.2(a) of this Circular
" <b>Valuation Report</b> "	: The valuation report dated 20 December 2021 issued by the Valuer, in relation to the indicative value of 60% equity stake of the Healthcare Group, a summary of which is set out in <b>Appendix A</b>
" <b>Valuer</b> "	: Vallaris Deal Advisory Pte. Ltd.
" <b>Vendor</b> "	: Dr Gian Siong Lin Jimmy
" <b>S\$</b> " and " <b>cents</b> "	: Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore
" <b>%</b> " or " <b>per cent.</b> "	: Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 4 and Section 5 of the Act.

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## DEFINITIONS

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Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the one gender shall, where applicable, include all other and neuter genders. References to natural persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act, the SFA, Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meanings ascribed to it under the Act, the SFA, Catalist Rules or any 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 a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to the Proposed Transactions.

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## LETTER TO SHAREHOLDERS

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### QT VASCULAR LTD.

(Company Registration No. 201305911K)  
(Incorporated in the Republic of Singapore)

#### Board of Directors:

Momi Mimon Brosh (Executive Director)  
Ng Boon Eng (Independent Director)  
Sho Kian Hin (Independent Director)

#### Registered Office:

18 Boon Lay Way  
#10-140(D) TradeHub 21  
Singapore 609966

24 December 2021

To: The Shareholders of QT Vascular Ltd.

Dear Shareholders,

- (1) **PROPOSED ACQUISITION OF 60% OF THE HEALTHCARE GROUP;**
- (2) **PROPOSED DIVERSIFICATION INTO THE NEW BUSINESSES;**
- (3) **PROPOSED ALLOTMENT AND ISSUE OF 4,055,555,556 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO THE INVESTORS PURSUANT TO THE PROPOSED SUBSCRIPTION AT THE ISSUE PRICE OF S\$0.0018 PER SUBSCRIPTION SHARE;**
- (4) **PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE INVESTORS; AND**
- (5) **PROPOSED DISTRIBUTION.**

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### 1. INTRODUCTION

- 1.1 As set out in the Announcement, the Board of Directors of the Company announced that it had, on 25 May 2021, entered into a conditional sale and purchase agreement in relation to the proposed acquisition by the Company of the Sale Shares of the Target Company from the Vendor, which in turn will hold the Healthcare Group (as defined below in paragraph 2.2 of this Circular) ("**Proposed Acquisition**").
- 1.2 Upon completion of the Proposed Acquisition, the Company will own 60% of the issued and paid-up share capital of the Target Company. In connection with the Proposed Acquisition, the Board wishes to announce that subject to the approval of the Shareholders, the Company intends to diversify into the new businesses of (a) provision of dental services, (b) provision of operations management and consultancy services, (c) Medical Equipment Business and (d) Medical and Wellness Business ("**Proposed Diversification**").
- 1.3 As set out in the Announcement, the Company also announced that it had, on 25 May 2021, entered into a subscription agreement in relation to the proposed subscription by Mr. Thomas Tan Gim Chua, Mr. Quek Chin Thean and Mr. Chong Leong Fah Derrick (collectively, the "**Investors**") of an aggregate of 4,055,555,556 of Shares ("**Subscription Shares**") at an issue price of S\$0.0018 ("**Issue Price**") for each Subscription Share amounting to an aggregate cash consideration of S\$7,300,000 ("**Subscription Amount**") with the Investors ("**Proposed Subscription**").

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## LETTER TO SHAREHOLDERS

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- 1.4 The Proposed Subscription and the allotment and issuance of the Subscription Shares will cause a transfer of Controlling Interest to each of the Investors ("**Proposed Transfer of Controlling Interest**").
- 1.5 The Proposed Subscription is also subject to the fulfilment by the Company of a condition precedent that the Company will set aside any Proceeds for distribution to the Entitled Shareholders by way of dividends or such other mode(s) prescribed by laws and regulations. Further details of such Proposed Distribution are set out in paragraph 5 of this Circular.
- 1.6 As set out in the Announcement, it was envisaged that each of the Proposed Acquisition and the Proposed Subscription would be subject to the Company implementing a scheme of arrangement ("**Scheme**") under the Act to effect the incorporation of a new 100% holding company of the Company ("**NewCo**") so that the existing Shareholders will hold equivalent shares in the NewCo ("**Proposed Restructuring**") and the listing status of the Company will be transferred from the Company to the NewCo ("**Proposed Transfer of Listing Status**"). It was also envisaged that the Scheme would require, *inter alia*, the approval of a majority in number of the Shareholders representing at least three-fourths in value of the shares in the Shares held by the Shareholders present and voting either in person or by proxy at the meeting of the Shareholders to be convened pursuant to the order of the High Court of the Republic of Singapore to approve the Scheme ("**Scheme Meeting**").
- 1.7 Due to the recent developments arising from the requisitions by Mission Well Limited and Tansri Saridju Benui to remove and replace the incumbent board with their nominee directors, which have created significant uncertainty and apprehension for the Company, the Investors, the Vendor and minority Shareholders, in relation to the Proposed Acquisition and the Proposed Subscription first announced on 25 May 2021, the Investors and the Vendor have proposed, and the Company is agreeable to, streamlining the aforesaid corporate proposals to provide greater certainty and assurance to Shareholders as well as expedite putting forth the corporate proposals before Shareholders for voting.
- 1.8 As such, as announced by the Company in the Supplemental Announcement, the Investors, the Vendor and the Company have entered into the Second Supplemental Agreement in relation to, *inter alia*, the following variations to the SPA and the Subscription Agreement:
- (a) the Proposed Restructuring and the Proposed Transfer of Listing Status be deferred until such time that the Company decides is appropriate;
  - (b) the Company will proceed to put forth the Proposed Acquisition, the Proposed Diversification, the Proposed Subscription, the Proposed Transfer of Controlling Interest and the Proposed Distribution (collectively "**Proposed Transactions**") for Shareholders' approval;
  - (c) the Subscription Shares and Consideration Shares now refer to ordinary shares in the capital of the Company (instead of shares of NewCo);
  - (d) the Proposed Transactions shall be subject to the approval of Shareholders at an EGM of the Company to be convened, instead of by way of Scheme at a Scheme Meeting, in view that the Proposed Restructuring and the Proposed Transfer of Listing Status will be deferred;
  - (e) the last-stop date for satisfaction of conditions precedent under the SPA and the Subscription Agreement shall be extended from 31 December 2021 to 28 February 2022 (or such other date as mutually agreed); and
  - (f) the other terms and conditions of the SPA and the Subscription Agreement (as supplemented) continue to apply, *mutatis mutandis*, with full force and effect.

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## LETTER TO SHAREHOLDERS

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For the avoidance of doubt, the abovementioned variations do not change the financial terms of the Proposed Transactions.

**1.9** On 16 December 2021, the Company applied, through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing of and quotation of all the Shares to be allotted and issued pursuant to the the Proposed Acquisition and the Proposed Subscription and the listing and quotation notice ("**LQN**") which was subject to the following conditions, was obtained by the Company on 22 December 2021:

- (a) shareholders' approval being obtained for the Proposed Acquisition, Proposed Diversification, Proposed Transfer of Controlling Interest and the Proposed Distribution at the EGM to be convened; and
- (b) compliance with the SGX-ST's listing requirements.

The LQN further stipulates that in the event the Company acquires any asset and/or business from the Vendor and/or Investors and/or their related parties/associates, the SGX-Regco reserves the right to aggregate the acquisitions and deem the subsequent asset injections as a very substantial acquisition or reverse takeover under Catalist Rule 1015.

The LQN is not an indication of the merits of the Proposed Acquisition, Proposed Subscription, the Consideration Shares, the Subscription Shares, the Company, its subsidiaries and their securities.

**1.10** This Circular has been prepared to provide Shareholders with information relating to, the rationale for, the benefits of and the financial effects of, the Proposed Transactions, and to seek approval of the Shareholders for (a) the Proposed Acquisition ("**Ordinary Resolution 1**"); (b) the Proposed Diversification ("**Ordinary Resolution 2**"); (c) the Proposed Subscription ("**Ordinary Resolution 3**"); (d) the Proposed Transfer of Controlling Interest ("**Ordinary Resolution 4**"); and (e) the Proposed Distribution ("**Ordinary Resolution 5**") at the EGM to be convened. Please note that the aforesaid Ordinary Resolutions are inter-conditional on each other. Accordingly, in the event that any of these resolutions is not approved, the other resolution will not be duly passed. The Ordinary Resolutions are inter-conditional on each other for the following reasons:

- (a) the Proposed Diversification is necessary for the purpose of the new business which the Proposed Acquisition encompasses;
- (b) the Proposed Acquisition will also only proceed if the Proposed Subscription is carried out, as the Proposed Acquisition is partially financed by the proceeds of the Proposed Subscription;
- (c) the Proposed Transfer of Controlling Interest is a consequence of the Proposed Subscription; and
- (d) the Proposed Distribution is to attribute potential proceeds arising from the specified agreements mentioned in paragraph 4.5(c) of this Circular to Entitled Shareholders as at a record date prior to completion of the Proposed Subscription, and is therefore contingent on the Proposed Subscription.

**1.11** The Notice of the EGM is set out on pages N-1 to N-5 of this Circular.

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## LETTER TO SHAREHOLDERS

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### 2. PROPOSED ACQUISITION

#### 2.1 Sale Shares

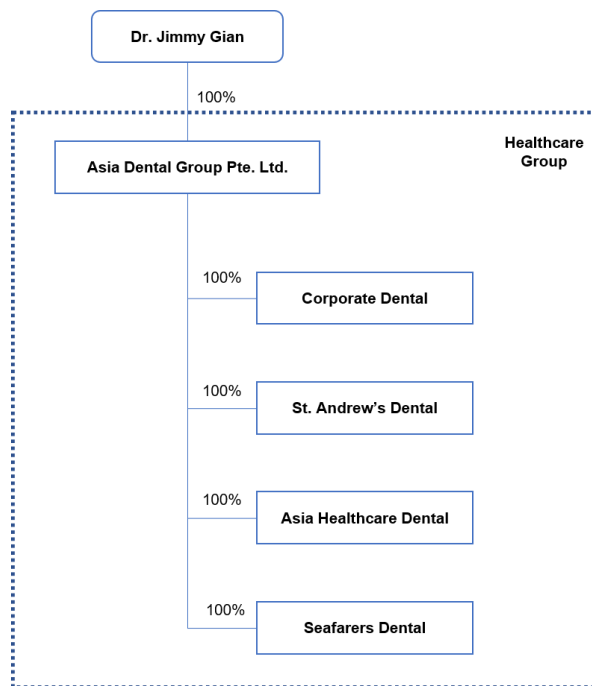
The Proposed Acquisition involves the acquisition of the Sale Shares by the Company.

#### 2.2 Information on the Healthcare Group

(a) Healthcare Group Structure and Business

For the purposes of the Proposed Acquisition, the Healthcare Group Restructuring was undertaken pursuant to which the Vendor transferred into the newly incorporated Target Company and its subsidiaries the business and activities of the Healthcare Business, including any contracts, fixed assets, inventories, intellectual properties, records as well as all other property, rights and assets used, enjoyed or exercised or intended to be used in connection with such businesses, save that all cash, bank balances, trade and other receivables, existing indebtedness, trade and other payables and existing liabilities shall be excluded ("**Transferred Business and Assets**").

A diagram illustrating the corporate structure of the Healthcare Group immediately before the completion of the Proposed Acquisition is as follows:



The subsidiaries of the Target Company (together with the Target Company, "**Healthcare Group**") are, namely, (a) Corporate Dental Pte. Ltd. ("**Corporate Dental**"), (b) St. Andrew's Dental Pte. Ltd. ("**St. Andrew's Dental**"), (c) Asia Healthcare Dental Pte. Ltd. ("**Asia Healthcare Dental**"), and (d) Seafarers Dental Pte. Ltd. ("**Seafarers Dental**").

The Healthcare Group is involved in the provision of (a) dental services, and (b) operations management and consultancy services to certain Government entities and/or corporate clients and was established more than 20 years ago. The Healthcare Group currently operates three clinic premises in Singapore at, namely, (i) 435 Orchard Road, #15-02/03, Wisma Atria, Singapore 238877; (ii) 100 Tras Street #11-01, 100 AM,

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## LETTER TO SHAREHOLDERS

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Singapore 079027; and (iii) 38 Haig Road, Singapore 438741, with a work force of 22 full-time clinicians (including dentists) and 32 staff members as at the Latest Practicable Date.

(b) History and Key Milestones of the Healthcare Group

In 1998, the Vendor established St. Andrew's Dental Surgeons as a sole proprietorship.

In 2006, the Vendor established a sole proprietorship in Singapore, Seafarers Dental Centre, to undertake management consultancy services for healthcare organisations.

In 2009, the Vendor incorporated St. Andrew's Dental Surgeons Group Pte. Ltd. to undertake the business of dental services and other dental-related medical services, which currently owns the clinic premises at 100 Tras Street.

In 2010, the Vendor incorporated Asia Healthcare Group Pte. Ltd. to expand the business of dental services and other dental-related medical services, which currently owns the clinic premises at Wisma Atria.

In 2013, the Vendor incorporated Corporate Dental Clinic Pte. Ltd. to expand the business of dental services, which currently owns the clinic premises at 38 Haig Road. Following the completion of a corporate restructuring ("**Healthcare Group Restructuring**") whereby the following steps have been or will be completed prior to the Completion Date, the corporate structure of the Healthcare Group is or will be as reflected in paragraph 2.2(a) of this Circular:

- (i) the transfer of the Healthcare Business from Corporate Dental Clinic Pte. Ltd. to Corporate Dental;
- (ii) the transfer of the Healthcare Business from St. Andrew's Dental Surgeons Group Pte. Ltd. to St. Andrew's Dental;
- (iii) the transfer of the Healthcare Business from Asia Healthcare Group Pte. Ltd. to Asia Healthcare Dental; and
- (iv) the transfer of the Healthcare Business from Seafarers Dental Centre to Seafarers Dental.

The Target Company has also entered into a consultancy agreement dated 12 October 2021 ("**Consultancy Agreement**") with PWG pursuant to which PWG appoints the Target Company on a non-exclusive basis to, and the Target Company agrees to provide and/or procure that its subsidiaries, provide services to PWG, which includes, *inter alia*, advising on their business requirements (including resource and manpower management etc.) and management of PWG's services, providing administrative services, for a monthly service fee of S\$30,000 and such other amounts as agreed between the Target Company and PWG for the services rendered during the term of the Consultancy Agreement, for a duration of two years and PWG may extend the initial term for a maximum of 12 months by serving a written notice of the same on the Target Company during the initial term.

Under the terms of the Consultancy Agreement, either of the parties, being the Target Company or PWG shall be entitled to terminate the Consultancy Agreement at any time by giving written notice to the other party.

PWG is a private limited company incorporated in Singapore and wholly-owned by the Vendor. Please refer to paragraph 3.8 of this Circular for details of the non-compete

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## LETTER TO SHAREHOLDERS

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undertaking provided by Dr. Jimmy Gian in relation to his shareholdings in competing businesses with the Group.

(c) Independent Valuation

Based on the Valuation Report issued by the Valuer which was commissioned by the Company, the indicative value of 60% equity stake of the Healthcare Group based on the income approach's discounted cash flow method ranges between S\$8.4 million and S\$8.9 million with a mid-point at S\$8.6 million as at the business valuation date of 30 June 2021.

(d) Financial Information of the Healthcare Group

The Company had commissioned Moore Stephens LLP to conduct the audit in relation to the Historical EBITDA as set out as a condition precedent to the Proposed Acquisition and Moore Stephens LLP has issued the Independent Auditor's Report on the Compilation of Unaudited Pro Forma Combined Financial Information of Asia Dental Group Pte. Ltd. and its Group Entities for the Financial Years ended 31 December 2020 and 31 December 2019 ("**Healthcare Group Pro Forma Report**"). Based on the Healthcare Group Pro Forma Report, the revenue, EBITDA and net profit before income tax for FY2020 are S\$7,801,767, S\$1,864,814 and S\$1,051,756 respectively. In view of the Healthcare Group Restructuring pursuant to which the Vendor transferred the Transferred Business and Assets into the newly incorporated Target Company and its subsidiaries, the Directors are of the view that the NTA value of the Healthcare Group as at 31 December 2020 constituted the net book value of the property, plant and equipment which amounted to S\$366,936 ("**NTA of the Healthcare Group**").

For illustration purpose, 60% of the revenue, EBITDA, net profit before income tax for FY2020 and the NTA as at 31 December 2020 are S\$4,681,060, S\$1,118,888, S\$631,054 and S\$220,162 respectively.

### 2.3 Information on the Vendor

The Vendor, Dr. Jimmy Gian, is a practicing dentist in Singapore, who graduated from the National University of Singapore in 1996 and has more than 20 years of experience in private practice.

As at the Latest Practicable Date, the Vendor holds 1,200,000 Shares in the Company, representing approximately 0.05% of the total number of issued Shares in the Company. Save as disclosed above, the Vendor does not hold (directly or indirectly) any Shares and is not related directly or indirectly to and has no connection (including business relationships) with the Group, the Directors of the Company and the Investors, or their respective associates.

### 2.4 Purchase Consideration

The aggregate consideration for the Proposed Acquisition is up to S\$7,650,000 ("**Purchase Consideration**"), which is agreed upon after arm's length negotiations between the Vendor and the Company on a "willing buyer willing seller" basis, and taking into account the value of the Healthcare Group with reference to an assumed average annual unaudited pro forma combined EBITDA of S\$1,500,000 for the financial years ended 31 December 2019 and 31 December 2020 ("**Historical EBITDA**").

The Company had commissioned Moore Stephens LLP to conduct the audit in relation to the Historical EBITDA as a condition precedent to the Proposed Acquisition. Based on the Healthcare Group Pro Forma Report, the Historical EBITDA for FY2019 and FY2020 are



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S\$1,828,399 and S\$1,864,814 respectively.

In arriving at the Purchase Consideration, which represents a premium of 3,374.7% over the NTA of the Healthcare Group, the Board also took into consideration that the Healthcare Business has a track record of more than 20 years, the future prospects of the Healthcare Group and the preliminary draft valuation of the 60% equity stake of the Healthcare Group performed by the Valuer commissioned by the Company. Based on the Valuation Report, the mid-point value as at the business valuation date of 30 June 2021 is S\$8.6 million.

Notwithstanding the substantial premium of the Purchase Consideration over the NTA of the Healthcare Group, the Board is of the view that taking into account the nature of the Healthcare Business, the income approach's discounted cash flow method adopted by the Valuer is more reflective of the value and the prospects of the Healthcare Group, and the Company is not overpaying for the Proposed Acquisition as the Purchase Consideration constitutes a discount of 11.0% to the mid-point of the valuation of S\$8.6 million.

Pursuant to the SPA and subject to the satisfaction (or waiver) of the SPA CPs, the Purchase Consideration shall be satisfied in the following manner:

- (a) S\$3,000,000 in cash to be paid by the Company to the Vendor on completion of the Proposed Acquisition;
- (b) S\$500,000 to be satisfied by the allotment and issuance to the Vendor on completion of the Proposed Acquisition of Shares at the Issue Price ("**Consideration Shares**"); and
- (c) an earn-out amount of up to S\$4,150,000, to be made subject to and in accordance with paragraph 2.5 below ("**Earn-Out Amount**").

### 2.5 Earn-Out Amount

- (a) The Company shall pay to the Vendor:
  - (i) S\$1,383,333.33 in cash on the first anniversary of the completion date of the Proposed Acquisition;
  - (ii) S\$1,383,333.33 in cash on the second anniversary of the completion date of the Proposed Acquisition; and
  - (iii) up to S\$1,383,333.34 in cash ("**Third Tranche Earn-Out Amount**") within five business days after determination by the Target Company's auditor of the aggregate audited EBITDA of the Group for the three full completed financial years immediately following completion of the Proposed Acquisition, namely the financial years ending 31 December 2022, 31 December 2023 and 31 December 2024 ("**Aggregate EBITDA**"), provided that such Aggregate EBITDA is equal to or exceeds S\$3,600,000 (which is agreed upon taking into account the Historical EBITDA) ("**Aggregate EBITDA Threshold**").

In the event that the Aggregate EBITDA is less than the Aggregate EBITDA Threshold (the difference between the Aggregate EBITDA and the Aggregate EBITDA Threshold being referred to as the "**Shortfall Amount**"), the Third Tranche Earn-Out Amount payable by the Company to the Vendor shall be reduced by the Shortfall Amount. For the avoidance of doubt, in the event the Shortfall Amount exceeds the Third Tranche Earn-Out Amount, the Company shall not be required to pay the Third Tranche Earn-Out Amount, and the Vendor shall not be required to top up or otherwise pay any amount to the

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Company as a result of the foregoing.

- (b) As security for the Company's obligations in respect of the Earn-Out Amount, the Company shall provide to the Vendor on completion of the Proposed Acquisition a copy of a duly executed deed of assignment ("**Deed of Assignment**") executed by the Company in favour of the Vendor in relation to the assignment of all distributions and dividends arising over all shares in the Target Company owned or to be acquired by the Company in the event that the Company fails to pay any part of the Earn-Out Amount if and when due.
- (c) If the proceeds from the Deed of Assignment are insufficient to fulfill any sum outstanding in respect of the Earn-Out Amount or if the Target Company does not have distributable profits to declare dividends pursuant to the Deed of Assignment, the Company undertakes to the Vendor (at the Vendor's option) to satisfy such outstanding sum by the allotment and issuance to the Vendor of Shares within three months from the date on which the outstanding sum becomes payable under the Deed of Assignment (or such other time period as may be mutually agreed between the Vendor and the Company) at an issue price to be mutually agreed by the Vendor and the Company.

### 2.6 Consideration Shares

The Consideration Shares, when allotted and issued, shall be free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing Shares as at the completion date of the Proposed Acquisition and be entitled to any dividends, rights, allotments or other distributions save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Consideration Shares. For the avoidance of doubt, entitlement to any dividends, entitlements or distributions pursuant to the Proposed Distribution shall be governed by the terms of paragraph 5 of this Circular.

The Consideration Shares will represent approximately 10.9% of the total number of issued Shares as at the Latest Practicable Date and approximately 4.0% of the enlarged total number of issued Shares (excluding treasury shares and subsidiary holdings) of 6,893,072,508 Shares immediately after the Proposed Acquisition and the Proposed Subscription, assuming no new Shares (other than the Consideration Shares and Subscription Shares) are issued by the Company between the Latest Practicable Date and the date of completion of the Proposed Acquisition (both dates inclusive) ("**Enlarged Share Capital**").

The Issue Price for the Consideration Shares represents a discount of approximately 64.0% to the volume weighted average price of S\$0.005 for trades done on the Shares on the SGX-ST for the full market day on 25 May 2021, being the market day on which the SPA was executed. The Issue Price for the Consideration Shares was arrived at following arm's length negotiations between the Company and the Vendor after taking into consideration the Issue Price for the Proposed Subscription.

The allotment and issuance of the Consideration Shares will be made pursuant to a specific mandate and the Company is seeking specific Shareholder's approval for the aforesaid at the EGM in accordance with Section 161 of the Companies Act and Rule 805(1) of the Catalyst Rules.

### 2.7 Funding

The cash portion of the Purchase Consideration pursuant to paragraph 2.4(a) above will be funded entirely by funds raised from the Proposed Subscription.

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### 2.8 SPA Conditions Precedent

Completion of the Proposed Acquisition is conditional upon the SPA conditions precedent (“SPA CPs”) having been fulfilled (or waived) in accordance with the terms of the SPA:

- (a) the Healthcare Group Restructuring and all necessary approvals (including consents of financing banks of the Healthcare Group) for the Healthcare Group Restructuring having been obtained and such approvals being in full force and effect, and where such approval is subject to conditions, (i) such conditions being reasonably acceptable to the parties and (ii) if such conditions are required to be fulfilled on or before completion of the Proposed Acquisition, such conditions having been fulfilled on or before such date, and such approvals remaining in full force and effect as of completion of the Proposed Acquisition;
- (b) completion of the Proposed Subscription;
- (c) completion of the subscription and sale of shares in TML pursuant to the subscription and sale and purchase agreement dated 5 May 2021 between the Company, MDIE Pte. Ltd., Emerald Apex Pte. Ltd. and TML (“TML Transaction”);
- (d) the Company and its advisers having completed its due diligence investigations in respect of the Healthcare Group (which also include an independent valuation of the Healthcare Group conducted by a third party independent valuer) and the results being satisfactory to the Company in its discretion;
- (e) the Company being satisfied that the average annual unaudited pro forma combined EBITDA value of the Healthcare Group for the financial years ended 31 December 2019 and 31 December 2020 is at least S\$1,500,000;
- (f) Vendor and its advisers having completed its due diligence investigations in respect of the Group, and the results being satisfactory to Vendor in his discretion;
- (g) the Company and the Vendor having entered into a supplemental deed of warranties and indemnities in relation to the Sale Shares and the Healthcare Group in form and substance agreed by the Company and the Vendor;
- (h) a service agreement in relation to the services to be provided by the Vendor to the Healthcare Group in form and substance agreed by the parties being entered into;
- (i) a shareholders' agreement in relation to the Target Company in form and substance agreed by the Company and the Vendor being entered into by the Vendor, the Company and the Target Company, which shall include, inter alia, (i) setting out that the Vendor will be responsible for the management and operational control of the Healthcare Group, (ii) reserved matters which shall require the approval of the Vendor to include amongst others, acquisition and/or disposal of any entity, business or investment whether or not such acquisition and/or disposal relates to the Healthcare Business, (iii) first right of refusal of the Target Company in respect of any acquisition by the Company or its affiliates of any entity, business or investment relating to the Healthcare Business, (iv) right of first refusal of the Company in relation to the transfer by the Vendor of his shares in any of the Target Company, Alliance Management Group Pte. Ltd. or Orthodontic & Implant Centre Pte. Ltd.<sup>1</sup>, and (v) the tag-along right of the Vendor and the drag-along right of the Company in the event of a sale by the Company of its shares in the Target Company;

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<sup>1</sup> Alliance Management Group Pte. Ltd. and Orthodontic & Implant Centre Pte. Ltd. are not part of the Healthcare Group as these are currently under-performing dental clinics.

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- (j) all necessary approvals (including (i) listing and quotation notice from the SGX-ST for the listing of and quotation for the Consideration Shares on the Catalist of the SGX-ST and (ii) approval from Shareholders of the Company for the Proposed Diversification) for the transactions contemplated in the SPA having been obtained and such approvals being in full force and effect as of completion of the Proposed Acquisition; and
- (k) the transactions contemplated under the SPA not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of Singapore and any other relevant jurisdictions.

Completion of the Proposed Acquisition shall occur on a date falling five business days after all the SPA CPs are satisfied or waived in accordance with the SPA (or such other date as may be agreed in writing between the Vendor and the Company).

In the event that any of the conditions precedent under the SPA is not fulfilled or waived by the Company or the Vendor having its benefit on or before 28 February 2022 or such other date as Company and Vendor may mutually agree in writing, the SPA (other than the surviving provisions) shall lapse and cease to have further effect.

As at the Latest Practicable Date, the SPA CPs set out in paragraphs 2.8(c), 2.8(e), 2.8(f), 2.8(g), 2.8(j)(i) and 2.8(k) of this Circular have been satisfied.

### 2.9 Chapter 10 of the Catalist Rules

The relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition and based on the Healthcare Group Pro Forma Report and the latest announced audited consolidated financial statements of the Group for FY2020 are as follows:

Basis in Rule 1006 of the Catalist Rules		Relative percentage (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired, compared with the Group's net losses	(6.3) <sup>(2)</sup>
(c)	The aggregate value of the consideration given for the Proposed Acquisition, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	56.9 <sup>(3)</sup>
(d)	The number of equity securities to be issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	12.4 <sup>(4)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's probable and proved reserves	Not applicable <sup>(5)</sup>

**Notes:**

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.

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- (2) The Group's audited net loss before tax for FY2020 was US\$7.58 million. The net profit before tax for FY2020 attributable to the Proposed Acquisition, based on the Healthcare Group Pro Forma Report, was approximately US\$477,000 computed based on an exchange rate of US\$1:S\$1.3221 as at 31 December 2020.
- (3) Computed based on the sum of the Purchase Consideration of S\$7,650,000 (including the maximum earn-out amount of S\$4,150,000) and the market capitalisation of the Company of approximately S\$13.4 million, which was determined by multiplying the number of shares in issue of the Company of 2,239,453,174 shares by the weighted average price of such shares transacted on 24 May 2021 (being the market day preceding the date of the SPA) of S\$0.006 per share.
- (4) Derived by comparing the Consideration Shares to be issued and allotted upon completion of the Proposed Acquisition based on the existing paid-up and issued Shares of the Company as at 24 May 2021 (being the market day preceding the date of the SPA).
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed based on Rule 1006 of the Catalist Rules involve negative figures, the Proposed Acquisition falls within Paragraph 4.4(b) of Practice Note 10A. Based on the above figures and the foregoing, the Proposed Acquisition constitutes a "discloseable transaction" under Rule 1010 of the Catalist Rules and is not subject to Shareholders' approval under Rule 1014(2) of the Catalist Rules.

Notwithstanding the foregoing, for good governance and in conjunction with the other inter-conditional Ordinary Resolutions, the Company will be seeking the approval of Shareholders for, *inter alia*, the Proposed Acquisition at the EGM.

### 3. PROPOSED DIVERSIFICATION

#### 3.1 Existing Business of the Group

The principal activities of the Company and its subsidiaries are the design, assembly and distribution of advanced therapeutic solutions for the minimally invasive treatment of complex vascular diseases ("**Existing Business**"). The Group collaborates with industry specialists and physicians who are key opinion leaders to develop and offer physicians and patients new and differentiated devices to improve outcomes in complex peripheral and coronary interventions.

The current management of the Company will continue to manage the Existing Business of the Group.

#### 3.2 The Proposed Diversification and the New Businesses

Subject to the approval of the Proposed Transactions at the EGM, the Company intends to diversify Group's core business to include:

- (a) the Healthcare Business, which includes, *inter alia*, the following activities:
  - (i) provision of dental services ("**Dental Services**"), and
  - (ii) operations management and consultancy services to certain Government entities and/or corporate clients ("**Consultancy Services**"),(collectively, the "**Healthcare Business**");
- (b) the Medical Equipment Business, which includes, *inter alia*, the following activities:

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- (i) research, develop and design of medical equipment and other related products including but not limited to geriatric medical rehabilitation equipment and medical equipment for use in hospitals as well as for emergency and rescue ("**Medical Equipment**"); and
- (ii) to engage in the trading, manufacturing, distributing and/or marketing of these Medical Equipment,  
  
(collectively, the "**Medical Equipment Business**"); and
- (c) the Medical and Wellness Business, which includes the provision of general and specialised medical care including but not limited to the fields of aesthetics and wellness services ("**Medical and Wellness Business**").

Following completion of the Proposed Transactions, it is envisaged that the Healthcare Business will be a more significant contributor to the revenue of the Group as compared to the Existing Business. In addition, prior to the acquisition of any business related to the Medical Equipment Business and/or the Medical and Wellness Business, the Company will conduct the necessary due diligence and seek professional advice to assess the viability and feasibility of such opportunities. The Company shall comply with Chapter 10 (including Practice Note 10A), if applicable, of the Catalist Rules before conducting any acquisitions.

### 3.3 Overview of the Healthcare Business

An overview of the different business segments under the Healthcare Business that the Company intends to venture into by undertaking the Proposed Acquisition is as set out below.

#### (a) Dental Services

The Dental Services is the provision of dental healthcare services in Singapore.

The provision of dental healthcare services would entail the provision of the following dental healthcare services to its customers:

- (i) General dental treatment which would include the examination and diagnosis, treatment planning, scaling, polishing, fluoride treatment, fillings and extractions as well as treatments for dentine hypersensitivity.
- (ii) Endodontics which is a field of dentistry that deals with the tooth pulp and the tissue surrounding the root end of a tooth. The services provided would include pulp capping, root canal treatment or retreatment, endodontic surgery, bleaching of discoloured non-vital teeth, treating traumatic tooth injuries and diagnosing and treating dental pain.
- (iii) Orthodontics which is concerned with the treatment of dento-facial irregularities or malocclusions (improper bites) resulting from, among others, dental irregularities and/or disproportionate jaw relationships. Treatments would involve fixed and/or removable braces.
- (iv) Periodontics which is a field of dentistry that is concerned with the diagnosis, prevention and control of periodontal or gum diseases. Services provided would include supervised oral hygiene methods, non-surgical and surgical scaling, and root planting.
- (v) Prosthodontics which is a field of dentistry that restores tooth structure and

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replaces missing teeth and soft tissue, with an emphasis on restoring natural function and appearance.

- (vi) Paedodontics refers to the provision of oral healthcare services to children below the age of 18 years old.
- (vii) Oral surgery which is a field of dentistry that deals with the diagnosis and management of diseases, injuries, and defects of the human mouth, jaw and associated facial structures. The services provided would include medical and surgical services such as dentoalveolar and wisdom tooth surgeries, dental implants, sinus-lift procedure, bone grafting, adjunct surgery as well as orthodontics.
- (viii) Provision of dental implants to replace the root of missing teeth which can assist to restore appearances, function and speech and can eliminate discomforts associated with wearing dentures.
- (ix) Aesthetic dentistry which is a field of dentistry concerned especially with the restoration of dental appearance. The services provided would include provision of dentures, orthodontics, crowns and bridges, implants, bonding, veneers and teeth whitening.

To develop the Dental Services, the Company intends to implement the following operational strategies:

### **Expansion of the Group's network of dental clinics and upgrading of its facilities in Singapore**

The Group intends to expand its network of dental clinics and team of dentists in Singapore so as to meet the expected increase in demand for dental healthcare services. In addition, the dental healthcare services market is likely to grow in tandem with the growth in medical tourism in Singapore, as foreign patients seeking high value-added treatments flock to Singapore due to the availability of advanced dental capabilities here.

As and when appropriate, the Group also intends to expand and/or renovate its existing dental clinics to ensure optimal utilisation of space. To care for this expansion and/or upgrading, the Group may also acquire additional dental equipment.

### **Establishment of larger scale dental centres to provide a wider range of dental healthcare services**

The Group's growth strategy in Singapore is to operate larger-scale dental centres in tandem with existing clinics. These dental centres will be equipped with the latest technology aimed at providing multi-disciplinary dental healthcare services and capturing a larger share of the market for higher-value specialist dental healthcare services. With the dental centres, the Group will be able to offer its patients (including patients from overseas) a wider range of, and faster access to, dental healthcare services.

### **Expansion through acquisitions, joint ventures and/or strategic alliances**

In addition to growing organically, the Group also intends to expand by looking out for opportunities to expand its business through acquisitions, joint ventures or strategic alliances with parties who create synergistic values with Group's business. Through such acquisitions, joint ventures and/or strategic alliances, the Group is looking to

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strengthen its market position, expand its network of dental clinics as well as expand into new businesses which are complimentary to its business.

(b) **Consultancy Services**

The Consultancy Services is the provision of on-site dental-related medical services primarily for certain Government entities and a corporate client. The Group intends to provide such services by entering into contracts with such Government entities and a corporate client for the provision of on-site dental-related medical services.

To develop the Consultancy Services, the Company intends to implement the following operational strategies:

**Grow the customer base of our Consultancy Services**

The Group intends to diversify its customer base, which presently comprises mainly of Government entities and a corporate client, to include more corporate clients. The Group intends to target corporate clients by, among others, holding seminars and talks on its capabilities at corporate events to increase awareness of the medical conditions treated and services provided by the Group.

**Expand our Consultancy Services regionally**

While we currently provide the Consultancy Services to certain Government entities and a corporate client in Singapore, we may expand the provision of our Consultancy Services regionally.

### **3.4 Management of the Healthcare Business**

It is currently envisaged that the Vendor, Dr. Jimmy Gian, will oversee the Healthcare Business with the existing management team of the Healthcare Business, to be put in place upon approval of the Shareholders for the Proposed Diversification into the Healthcare Business.

Dr. Jimmy Gian, the Vendor, will be appointed as Chief Operating Officer (Dental) of the Healthcare Group via the entry of a service agreement between Dr. Jimmy Gian, the Company and the Target Company.

Dr. Jimmy Gian, is a practicing dentist in Singapore, having graduated from the National University of Singapore in 1996 and has a wealth of over 20 years of experience in private practice. Before Dr. Jimmy Gian founded the Healthcare Group, his working experience included, amongst others, practicing as a certified incognito lingual braces practitioner in Japan, a certified invisalign practitioner in Hong Kong and a certified CEREC practitioner in Shanghai.

Dr. Jimmy Gian has been a member of the Singapore National Olympic Council Medical Committee Member since 2010 and is also a member of the Academy of General Dentistry (USA), Aesthetic Dentistry Society of Singapore, American Orthodontic Society (USA), Chicago Dental Society (USA), College of General Dental Practitioner (Singapore), Guild of Dental Graduates (Singapore), Singapore Dental Association, Singapore Medical Alumni Association and the Society for The Advancement of Gnathology (Singapore).

The Group will be able to tap into his network of business partners to ensure the business plans can be effectively implemented to optimise Shareholders' return on the investment through business growth and profitability.

The Group will monitor developments and progress in the Healthcare Business and take the necessary steps to identify suitable candidates both from within the Group as well as externally,



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to support and manage the Healthcare Business as and when required. When necessary, the management will consider hiring additional staff or in-house or external consultants and professional advisers as and when required in connection with the Healthcare Business.

### **3.5 Management of the Medical Equipment Business and Medical and Wellness Businesses**

#### **(a) Medical Equipment Business**

It is currently envisaged that Mr. Thomas Tan Gim Chua, who will be co-opted onto the board of the Company as an executive director upon completion of the Proposed Subscription will be spearheading the Medical Equipment Business. Please refer to paragraph 9 of this Circular for the description relating to Mr. Thomas Tan Gim Chua.

The Company will evaluate the manpower and expertise required for the Medical Equipment Business and engage the personnel with the relevant experience and expertise to manage the Medical Equipment Business and fulfil the demands of the business when deemed necessary. The Company will also seek the advice of reputable external consultants and experts when necessary.

The Group may also foster business partnerships with various third parties to enhance and facilitate the services provided by the Medical Equipment Business. In selecting its partners, the Company will take into account, but shall not be limited to, the track record and credibility of the partners.

#### **(b) Medical and Wellness Business**

It is also currently envisaged that Mr. Thomas Tan Gim Chua will be responsible for overseeing the Medical and Wellness Business. The Directors recognise that the Group may not have the relevant experience and expertise in the Medical and Wellness Business. Accordingly, the Company will seek the advice of external consultants and experts when necessary.

The Company will also evaluate the manpower and expertise required for the Medical and Wellness Business and take necessary steps to hire suitable candidates as and when required to fulfil the demands of the Medical and Wellness Business.

The Group may also foster business partnerships with various third parties to enhance and facilitate the services provided by the Medical and Wellness Business. In selecting its partners, the Company will take into account, but shall not be limited to, the track record and credibility of the partners.

### **3.6 Funding for the New Businesses**

As stated in paragraph 4.7 of this Circular, the Net Proceeds will be used for general working capital including but not limited to the funding for the set-up, working capital and other operational expenses of the New Businesses, if and when such opportunities arise.

Save for the funding of the Healthcare Business, the Company may further consider tapping the capital markets in various ways, including but not limited to, issuance of securities for cash by way of rights issues and placements and issuance of debt instruments as and when necessary and deemed appropriate to fund the New Businesses.

### **3.7 Internal Controls and Risk Management of the New Businesses**

The Directors recognise the importance of internal controls and risk management for the smooth running of the New Businesses. The external and internal risks presented by the New

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Businesses to the Group will be managed under the existing system of internal controls and risk management of the Group, which will determine the nature and extent of risks which the Directors may take in achieving the strategic objectives of the Group. Where necessary to better manage the Group's external and internal risks resulting from the Proposed Diversification, the Group will implement a set of operations and compliance procedures. Where necessary, the audit committee of the Company and the Directors will:

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

### 3.8 Conflict of Interest

When the Company identifies a potential opportunity in respect of any of the New Businesses, each of the Directors and key management personnel will be obliged to disclose to the Directors where he and/or his associates have an interest (and the full extent thereof) in the transaction ("**Conflicted Individual**").

A Conflicted Individual shall not (a) vote in respect of matters in relation to the New Businesses; (b) will not, directly or indirectly, make any executive decisions in respect of the New Businesses; and (c) will not, directly or indirectly influence or participate in the operations and management of the New Businesses.

#### **Non-compete Undertaking by the Vendor**

The Vendor will provide a non-compete undertaking ("**Non-compete Undertaking**") in favor of the Company which provides that unless with the prior written consent of the Company, he shall not, and shall procure that his Associates do not, Participate in the Specified Business other than through the Group. The Non-compete Undertaking is effective from the Listing Date and shall be in force for as long as:

- (a) the Vendor and/or any of his Associates is the Chief Operating Officer (Dental) of the Healthcare Group, a director or chief executive officer or a person who has an interest in at least 15% of the total number of issued shares excluding treasury shares, preference shares and subsidiary holdings in the Company; and
- (b) the shares in the capital of the Company continue to be listed on the Catalist of the SGX-ST.

The Non-compete Undertaking shall not apply to:

- (a) the direct or indirect holding, for financial investment purposes, of a shareholding of not more than 5% in quoted or listed securities of a company on a stock exchange having the Specified Business as its principal business provided there is no involvement in the day-to-day management or operations, or the holding of any executive positions by the Vendor and/or his Associates in such entities; or
- (b) the holding by the Vendor and/or his Associates of any securities of the Company.

For the purposes of the Non-compete Undertaking:

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"**Associates**", in relation to the Vendor means:

- (a) his Immediate Family;
- (b) 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
- (c) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more.

"**Control**" means the capacity to dominate the decision-making, directly or indirectly control, in relation to the financial and operating policies of an entity.

"**Immediate Family**", in relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent.

"**Listing Date**" has the same meaning ascribed to it in this Circular.

"**Participate**" means:

- (a) to in fact exercise Control over any entity engaged in the Specified Business;
- (b) to hold 15% or more of the issued share capital or equity interests of any entity (excluding treasury shares, preference shares and subsidiary holdings) engaged in the Specified Business; or
- (c) to exercise control over 15% or more of the voting shares of any entity engaged in the Specified Business.

"**Specified Business**" means the following businesses:

- (a) provision of Dental Services and Consultancy Services; and/or
- (b) any other business to be conducted by our Group as of the date of the Non-compete Undertaking and thereafter.

### 3.9 Prospects and Future Plans for the New Businesses

- (a) Prospects
  - (i) Healthcare Business

Our Directors believe that the outlook and prospects for the Healthcare Business will likely be positive in view of the following trends and developments:

#### **Rising income and educational levels**

Singapore has been experiencing rising income levels, with gross national income per capita (at current market prices) increasing from 2015 to 2020, along with median monthly household income<sup>2</sup>. The rising affluence in Singapore increases the affordability of private healthcare services. Together with higher educational standards, this may increase awareness of, and drive

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<sup>2</sup> Statistics on the Department of Statistics Singapore's website: <https://www.singstat.gov.sg/whats-new/latest-data>.

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the demand for, high-quality and comprehensive dental services.

### **Increasing and ageing population**

The total population in Singapore has been rising over the years, and between 2010 and 2020, Singapore's total population grew by around 1.1% a year<sup>3</sup>. Declining birth rates coupled with increasing life expectancies is also predicted to result in an ageing population, and residents aged 65 years and over formed 15.2% of the resident population in 2020, an increase from 9.0% in 2010<sup>4</sup>. As Singapore's population ages, there could be a corresponding increase in the incidences of dental ailments, which may translate into a greater demand for dental services.

In Singapore, a recent study has shown that 31% of residents above 60 years of age have no teeth<sup>4</sup>, which is considerably higher compared to the 17% to 20% reported in other developed countries. The National Dental Centre Singapore has noted that the higher prevalence of chronic diseases – including oral diseases – due to the ageing population places increasing demands on Singapore's healthcare system<sup>5</sup>.

### **Growth in medical tourism industry**

Singapore is a regional medical hub which has been attracting an increasing number of foreign patients. The Singapore Tourism Board (a statutory board under Singapore's Ministry of Trade and Industry) works with the industry to cement Singapore's position as a destination for high quality advanced healthcare services. The efforts of the Singapore government to promote medical tourism in Singapore will likely boost medical travel and encourage foreign patients to seek out dental treatment in Singapore. Although the current travel restrictions implemented by the Singapore Government due to the COVID-19 pandemic has temporarily affected medical tourism, the Directors expect medical tourism to rebound once the COVID-19 pandemic ends as Singapore remains to be a regional medical hub for foreign patients.

#### (ii) Medical Equipment Business

### **Increasing and ageing population**

As of 2019, there were 703 million persons aged 65 or over in 2019 and it is expected that over the next three decades, the global number of people aged 65 or over is expected to double and reach 1.5 billion persons in 2050.<sup>6</sup> Accordingly, as the world's population ages, there would be a corresponding increase in demand for geriatric medical equipment.

### **Strong governmental support on eldercare and rising income levels**

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3 Statistics on the Department of Statistics Singapore's website: <https://www.singstat.gov.sg/-/media/files/publications/cop2020/sr1/cop2020sr1.pdf>.

4 Chiu C, Malhotra R, Tan S, Lim J, Chan A, Teoh K, et al. Dental health status of community-dwelling older Singaporeans findings from a nationally representative survey. *Gerodontology*. 2017;34(1):57-67.

5 National Dental Research Institute Singapore launches to drive oral health research and innovation in Asia, 4 November 2019 <<https://www.ndcs.com.sg/news/announcements/national-dental-research-institute-singapore-launches-to-drive-oral-health-research-and-innovation-in-asia>>

6 United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Ageing 2019: Highlights (ST/ESA/SER.A/430)

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With the world's population shifting toward an ageing population, it is expected that there will be an increase in governmental focus on the eldercare. Further, as people become increasingly affluent, they are more likely to spend on equipment and services which would enable the elderly to live independently and lead a better quality of life. Accordingly, it is expected that with the increasing focus on eldercare, subsidies to the elderly for the purchase of medical equipment and rising affluence among the population, this would lead to increased affordability of medical equipment which in turn would translate to increased demand.

(iii) Medical and Wellness Business

**Social acceptance of aesthetic medical treatments**

Aesthetic medical treatments have now become socially accepted and it is expected that with increased consumer attention to personal appearances, increased affordability of aesthetic medical treatment, lower risks and improved convenience, the Directors are of the view that this would translate to increased demand for aesthetic medical treatments.

**Growth in medical tourism industry**

As highlighted above, Singapore is a regional medical hub which has been attracting an increasing number of foreign patients. The Directors are of the view that the efforts of the Singapore government to promote medical tourism in Singapore will similarly boost medical travel and encourage foreign patients to seek out aesthetic treatments in Singapore. Although the current travel restrictions implemented by the Singapore Government due to the COVID-19 pandemic has temporarily affected medical tourism, the Directors expect medical tourism to rebound once the COVID-19 pandemic ends as Singapore remains to be a regional medical hub for foreign patients.

(b) Future Plans

(i) In respect of the Existing Business, the Group will continue to leverage its expertise in the design, assembly and distribution of advanced therapeutic solutions for the minimally invasive treatment of complex vascular diseases.

(ii) Healthcare Business

In respect of the Healthcare Business, the Group will initially focus on expanding the network of dental clinics and upgrading of its facilities in Singapore during the initial stage of the Group's foray into the Healthcare Business.

The Group may explore new areas of opportunities, including the setting up of new dental clinics or expanding through acquisitions, joint ventures and/or strategic alliances. Such plans will be funded from internal resources, external borrowings or from future fund-raising exercises that the Group may undertake.

Following completion of the Proposed Transactions, it is envisaged that the Healthcare Business will be a more significant contributor to the revenue of the Group as compared to the Existing Business.

(iii) Medical Equipment Business

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In respect of the Medical Equipment Business, the Group will initially focus on ascertaining suitable acquisition targets which will be determined based on metrics including but not limited to their track record, credibility, reputation, and market presence.

Before proceeding with any acquisition, the Directors will conduct the necessary risk assessment with assistance from professional parties where needed, and will also enter into feasibility studies which would include financial forecasts, funding needs, exclusivity of the technical expertise required, nature and scale of projects and market studies. As and when the Group enters into new jurisdictions, it will seek the relevant legal and financial professional advice.

(iv) **Medical and Wellness Business**

It is currently envisaged that the Group will initially explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the Medical and Wellness Business as and when the opportunity arises. Before proceeding with any joint ventures and/or strategic alliances, the Directors will similarly conduct the necessary risk assessment with assistance from professional parties where needed, and will also enter into feasibility studies which would include financial forecasts, funding needs, exclusivity of the technical expertise required, nature and scale of projects and market studies.

Notwithstanding the above, the Group is not closed to the possibility that it may venture into businesses other than the New Businesses, subject to the relevant approvals granted by Shareholders and other authorities (where relevant). As at the Latest Practicable Date, save for the Healthcare Business, the Company has not finalised any substantive plans to diversify into any other specific businesses.

### **3.10 Rationale for the Proposed Diversification**

The Company proposes to diversify its Existing Business to include the Healthcare Business, the Medical Equipment Business and the Medical and Wellness Business for the following reasons:

- (a) Potential in the New Businesses to provide additional and recurrent revenue streams with a view to achieving long-term growth

The Company has identified the New Businesses as business activities which will provide the Group with sustainable and long-term prospects of profitability and growth.

The Directors believes that the New Businesses will create new business opportunities and an alternate revenue stream for the Company, which would hence enhance the Group's business performance and shareholder's value. In addition, the New Businesses will allow the Group to reduce its reliance on the Existing Business.

By entering into the New Businesses, the Company intends to rely on the New Businesses to provide it with an alternative recurrent revenue stream.

Based on the above, the Directors is of the view that the New Business are in the best interests of the Group and Shareholders. The Group intends to implement the New Businesses prudently with the ultimate aim of enhancing shareholder value.

To assist it in undertaking the New Businesses more effectively and efficiently, the Group will seek to build its expertise and capabilities in the field by hiring appropriate

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employees and may also enter into joint ventures, partnerships and/or strategic alliances with third parties with relevant experiences.

- (b) The Proposed Diversification may provide a more diversified business and income base, reducing reliance on the Existing Business

The Company is mindful of the need to diversify and create new profitable revenue streams. Given the uncertainties prevailing in the current global economic outlook, the Directors believe that it is prudent to take active steps to reduce reliance on the Group's Existing Business. For a start, the Directors believe that the Proposed Diversification will allow the Group to have better prospects of profitability and ensure longer-term growth, and the Healthcare Business represents the first step taken by the Company to building up an additional revenue stream. The Proposed Diversification would provide the Group with diversified returns and would contribute an additional stream of revenue and earnings for the Group. This would enable the Group to extend its revenue base so that it is not dependent entirely on its Existing Business for its revenue.

By diversifying its business to include the New Businesses, the Group will also be able to gain access to new business opportunities within the healthcare industry, and if the Healthcare Business generates profit for the Group, it will likely enhance shareholders' value. However, the Group is not closed to the possibility that it may venture into businesses other than the New Businesses. As at Latest Practicable Date, save for the Healthcare Business, the Company has not finalised any substantive plans to diversify into any other specific businesses. It will make the relevant announcements to keep shareholders updated when such other businesses are identified and will seek approval from shareholders for diversification into such businesses as appropriate.

- (c) The New Businesses are expected to bring the Group a wider network of contacts and business opportunities

The Directors believe that the New Businesses will augment and strengthen the Group, as well as its Existing Business, by, *inter alia*, providing access to financial services and funding, and exponentially increasing the Group's network of contacts, which may potentially lead to fresh business opportunities for the Group. When the New Businesses become successful, the Group will then be able to demonstrate to the market that it has developed a new and viable business, granting the Group an easier access to the financial markets for funding.

Upon completion of the Proposed Transactions, the Company may undertake a review of the business, strategic direction and operations of the Group and may consider any options or opportunities in relation to the Group which may present themselves and which the Directors may regard to be in the interests of the Company.

### 3.11 Risk Factors

In undertaking the Proposed Diversification, the Group could be affected by a number of risks which relate to the New Businesses as well as those which may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Circular.

To the best of the Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the Proposed Diversification have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed Diversification, this may have a material and adverse impact on the overall results of operations, financial condition and prospects of the Group.

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The risks described in **Appendix B** of this Circular are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors may emerge from time to time, and it is not possible for the Directors to predict all risk factors, nor can the Directors assess the impact of all factors on the Proposed Diversification or the extent to which any factor, or combination of factors, may affect the Proposed Diversification. There may also be other risks associated with entry into the Proposed Diversification which are not presently known to the Directors, or that the Company may currently deem immaterial and as such have not been included in the discussion below.

### 3.12 Application of Chapter 10 of the Catalist Rules

By approving the Proposed Transactions, Shareholders will be deemed to have approved the Proposed Diversification, and any acquisition or disposal which is in, or in connection with, the Proposed Diversification, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules.

Rule 1002(1) of the Catalist Rules provides that "transaction" generally refers to the acquisition or disposal of assets by an issuer or its subsidiary, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature.

As such, the compliance requirements prescribed under Rules 1010 and 1014 of the Catalist Rules do not apply to transactions which are within the Company's existing core business for so long as it is in the ordinary course of its business or of a revenue nature. Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction defined under Rule 1014(1) of the Catalist Rules where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100% in respect of an acquisition or 50% in respect of a disposal or the provision of financial assistance (each a "**Major Transaction**"). A Major Transaction must be made conditional upon approval by shareholders in a general meeting. In the case where the transaction exceeds 5% but is less than 75% (for an acquisition) or 50% (for a disposal) of the relative figures, an announcement of the prescribed information pursuant to Rule 1010 of the Catalist Rules will also be required.

Pursuant to Practice Note 10A of the Catalist Rules, shareholders' approval is not required for an acquisition that is regarded to be in, or in connection with the ordinary course of an issuer's business, if (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Further guidelines are provided under Practice Note 10A of the Catalist Rules on the assessment of what consists of "existing principal business" and "change of risk profile". Further, Practice Note 10A of the Catalist Rules also states that a disposal of an issuer's business (or a substantial part of its business) will usually not be considered to be in the ordinary course of business.

In accordance with the SGX-ST's recommended practice in relation to diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first major transaction involving the new business ("**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated ("**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval.

The Proposed Diversification will thus allow the Company, in its normal course of business, to enter into transactions in furtherance of the New Businesses in an efficient and timely manner without the need for Shareholders' approval, for so long as it is in the ordinary course of its



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business or of a revenue nature. As such, save as provided for in the immediately preceding paragraph on SGX-ST's recommended practice in relation to diversification of business, the Company will not need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions which are transactions within the ordinary course of the New Businesses or are of a revenue nature, even where such transactions cross the thresholds of a Major Transaction. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

For the avoidance of doubt, notwithstanding the Shareholders' approval for the Proposed Diversification, where:

- (a) in respect of an acquisition of assets or several acquisition of assets when aggregated under Rule 1005 of the Catalist Rules, any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules is 100% or more, or such acquisition will result in a change in control of the issuer, Chapter 10 of the Catalist Rules (including Rule 1015) will continue to apply to any such acquisition, which must be made conditional upon the approval of, inter alia, Shareholders;
- (b) a transaction constitutes an interested person transaction (as defined under the Catalist Rules), Chapter 9 of the Catalist Rules will continue to apply to any such transaction;
- (c) in light of Practice Note 10A of the Catalist Rules, if a transaction is not within the existing principal business or changes the risk profile of the Company, Shareholders' approval may be required for such transaction; and
- (d) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, if applicable.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

## **4. PROPOSED SUBSCRIPTION**

### **4.1 Overview of Proposed Subscription**

Pursuant to the Subscription Agreement, the Investors have agreed to subscribe for an aggregate of 4,055,555,556 Shares at the Issue Price of S\$0.0018 for each Subscription Share amounting to an aggregate cash consideration of S\$7,300,000, subject to and upon the terms and conditions of the Subscription Agreement.

The Proposed Subscription will be undertaken pursuant to the exemption under Section 275 of the SFA. As such, no prospectus or offer information statement will be lodged with the MAS in connection with the issuance of the Subscription Shares.

### **4.2 The Investors**

This paragraph 4.2 is based on information provided by and/or representations made by the Investors.

Pursuant to the Subscription Agreement, the Investors will subscribe for, and the Company will allot and issue to them, the Subscription Shares at the Issue Price in the numbers and for the Subscription Amount set out below.

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Name of Investor	Number of Subscription Shares	Percentage shareholding of the existing Share Capital of the Company	Percentage shareholding of the Enlarged Share Capital of the Company (after the Proposed Transactions)	Subscription Amount (S\$)
Thomas Tan Gim Chua	1,666,666,667	65.1%	24.2%	3,000,000
Quek Chin Thean	1,277,777,778	49.9%	18.5%	2,300,000
Chong Leong Fah Derrick	1,111,111,111	43.4%	16.1%	2,000,000
Total	4,055,555,556	158.4%	58.8%	7,300,000

Please refer to paragraph 9 of this Circular for the description relating to Mr. Thomas Tan Gim Chua.

Mr. Quek Chin Thean has 29 years' experience in the commodities industry and is currently a managing director with Glencore Singapore Pte Ltd.

Mr. Derrick Chong has 23 years' experience in the general insurance industry and is currently a managing partner with L F Chong Co.

The Investors are private investors who were referred to the Company by its legal advisors, Rajah & Tann Singapore LLP and are subscribing for the Subscription Shares for investment purposes. The Company did not appoint any placement agent for purposes of the Proposed Subscription, and no commission or introduction fees is payable by the Company.

As at the Latest Practicable Date, the Investors do not hold, directly or indirectly, any Shares in the Company. The Investors (a) are not related to each other; (b) have no existing connection (including business relationships) with the Company and its Directors; and (c) are not persons to whom the Company is prohibited from issuing Shares to, as set out under Rule 812 of the Catalist Rules. The Investors are also not related directly or indirectly to the Vendor and/or his associates and the Investors do not have any existing connection (including business relationships) with the Healthcare Group.

The Investors have confirmed that there is no agreement or undertaking (whether formal or informal) amongst the Investors or between any of the Investors or with any existing shareholder of the Company to acquire Shares to obtain or consolidate majority control of the Company, and each Investor is not a party acting in concert with another Investor or with any existing shareholder of the Company as defined in the Code.

### 4.3 The Subscription Shares

The Subscription Shares, when allotted and issued, shall rank *pari passu* with, and shall carry all rights similar to, the then existing issued ordinary shares of the Company, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Proposed Subscription. For the avoidance of doubt, entitlement to any dividends, entitlements or distributions pursuant to the Proposed Distribution shall be governed by the terms of paragraph 5 of this Circular.

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The Subscription Shares represent approximately 158.4% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the Latest Practicable Date and approximately 58.8% of the Enlarged Share Capital, assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) of the Company before the completion of the Proposed Subscription.

#### 4.4 Issue Price

The Issue Price represents a discount of approximately 64.0% to the volume weighted average price of S\$0.005 for trades done on the Shares on the SGX-ST for the full market day on 25 May 2021, being the market day on which the Subscription Agreement was executed.

The Issue Price was arrived at following arm's length negotiations between the Company and the Investors after taking into consideration the Company's NTL of approximately US\$710,000 as at 31 December 2020 and that the Proposed Subscription will also provide the Company with the financial resources to expand into the Healthcare Business and strengthen its working capital position.

#### 4.5 Subscription Agreement Conditions Precedent

Completion of the Proposed Subscription is conditional upon:

- (a) each of the Company and the Investors having undertaken and having completed its due diligence investigations in respect of the other parties, including but not limited to the affairs, operations, businesses, assets, liabilities (including tax liabilities), contracts, financial condition, accounts, results, prospects and the legal, accounting, financial and tax affairs of the other parties, and the results of such due diligence investigation being satisfactory to each party in its discretion;
- (b) completion of the Proposed Acquisition;
- (c) the Group entering into a deed of trust in favour of Shareholders of the Company as at a record date to be determined prior to completion of the Proposed Subscription in respect of contingent proceeds (if any) ("**Proceeds**") that may be received by: (i) the Company and its subsidiaries, TML, TriReme Medical (Singapore) Pte. Ltd. and Quattro Vascular Pte. Ltd. under the asset purchase and option agreement dated 24 May 2018 from Teleflex Life Sciences Unlimited Company and Teleflex Incorporated in the event certain milestones are met and/or Teleflex Life Sciences Unlimited Company and Teleflex Incorporated exercise the option to acquire Chocolate Heart™; and (ii) the Company and TML under the asset purchase agreement dated 27 August 2020 ("**GV APA**") from G Vascular Private Limited and Genesis MedTech International Private Limited in the event requisite approvals of the United States Food and Drug Administration ("**FDA**") are obtained and sales are made from Chocolate Touch® as well as any disposal of Chocolate Touch®, PROVIDED THAT the following obligations under the shareholders' agreement dated 5 May 2021 entered into between the Company, TML, MDIE Pte. Ltd. and Emerald Apex Pte. Ltd. have been satisfied by the Company: (1) the Company assumes, and agrees to promptly pay, any and all liabilities, costs (including legal costs and costs incurred to progress the Chocolate Touch® PMA approval with the FDA), settlement amounts and damages whatsoever asserted against or paid by TML (for its own benefit or the benefit of its officers, directors, employees and agents) associated with (A) any third party claim arising in any way out of any action or inaction of TML or its officer, directors, employees and agents prior to the date of completion of the Proposed Acquisition, (B) Chocolate technology, Chocolate Heart™ and/or Chocolate Touch® prior to the date of completion of the Proposed Acquisition, or (C) any and all agreements entered into by TML prior to the date of completion of the Proposed Acquisition, including, without limitation the 3 April

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2011 development and license agreement with Innora GMBH (collectively, "**Liabilities**"); (2) as to any Proceeds that the Company may directly receive under the GV APA, (x) the Company will use such proceeds to immediately satisfy all amounts owed to TML on account of Liabilities borne by TML as provided below; and thereafter (y) the Company will hold in escrow 30% of such Proceeds for so long as any future Liabilities are anticipated in connection with any actual or threatened third party claim or action; and (3) in the event that the Company fails to pay any Liabilities within seven days of notice thereof and there are then insufficient Proceeds held by TML to pay same, TML may advance such amounts and then withhold and retain from the Proceeds an amount equivalent to such advanced amounts, plus a late fee of 1% per month (compounded monthly) until paid. TML is authorised to reserve or apply any Proceeds held by it from time to time to create reasonable reserves for or pay Liabilities or pay amounts previously advanced by TML to pay Liabilities (including the late fee accrual thereon);

- (d) completion of the TML Transaction;
- (e) all necessary approvals (including approval-in-principle from the SGX-ST and Shareholders of the Company to the transactions contemplated herein) for the listing of and quotation for the Subscription Shares on the Catalist of the SGX-ST and the Proposed Diversification having been obtained and such approvals being in full force and effect, and where such approval is subject to conditions, (i) such conditions being reasonably acceptable to the parties and (ii) if such conditions are required to be fulfilled on or before completion of the Proposed Subscription, such conditions having been fulfilled on or before such date, and such approvals remaining in full force and effect as of completion of the Proposed Subscription;
- (f) the allotment, issue and subscription of the Subscription Shares and all the transactions contemplated by the Subscription Agreement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority (including, without limitation, the SGX-ST) in Singapore, which is applicable to either party, including but not limited to the provisions of the Catalist Rules or the SFA; and
- (g) the representations, warranties and undertakings by each party remaining true and correct in all material respects as if made on the completion date of the Proposed Subscription, with reference to the then existing facts and circumstances, and each of them having performed all of its obligations hereunder to be performed on or before completion of the Proposed Subscription.

If any of the conditions is not satisfied on or before 28 February 2022 or such later date as the Company and the Investors may agree in writing, the Proposed Subscription will not proceed.

As at the Latest Practicable Date, the Subscription Agreement Conditions Precedent set out in paragraphs 4.5(a) and 4.5(d) of this Circular have been satisfied. The approval-in-principle from the SGX-ST for the listing of and quotation for the Subscription Shares on the Catalist of the SGX-ST in paragraph 4(e) has also been obtained.

### 4.6 Moratorium

The Investors shall not sell, transfer or otherwise dispose of the Subscription Shares or any interest thereof, or attempt or propose to do any of the foregoing ("**Restrictions**") for a period of six months commencing from the date of the listing and quotation of the Subscription Shares on the Catalist of the SGX-ST ("**Listing Date**") (both dates inclusive) ("**First Lock-up Period**") and the period commencing on the day immediately following the expiry of the First Lock-up Period until the date falling 12 months commencing from the Listing Date (both dates inclusive)

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## LETTER TO SHAREHOLDERS

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("Second Lock-up Period"). The Restrictions shall apply to all the Subscription Shares for the First Lock-up Period and to 50% of the Subscription Shares for the Second Lock-up Period.

### 4.7 Use of Proceeds of the Proposed Subscription

The Proposed Subscription will allow the Company to strengthen its financial position by raising net cash proceeds of approximately S\$6.2 million (after deducting estimates expenses of approximately S\$1.1 million) ("**Net Proceeds**"), which is intended to be utilised by the Company in the following manner:

<b>Proposed use of Net Proceeds</b>	<b>% of Net Proceeds</b>	<b>Amount (S\$)</b>
Partially finance the Proposed Acquisition	48.4%	3,000,000
General working capital	51.6%	3,200,000

The reason for the allocation of the majority of the Net Proceeds for working capital purposes is to strengthen the financial position of the Company after taking into account the audited negative working capital position of the Group of approximately US\$1.1 million as at 31 December 2020. As at 30 September 2021, the unaudited negative working capital position of the Group is approximately US\$2.6 million. Post completion of the Proposed Transactions, the Company intends to use the net proceeds earmarked for general working capital purposes for payments such as:

- (a) purchases;
- (b) salaries and wages of employees and trade and other payables;
- (c) interest expense for any bank borrowings and/or loan commitments;
- (d) settlement of outstanding balances due to suppliers arising from the ordinary operating course of business; and
- (e) fund the set-up, working capital and other operational expenses of the New Businesses, if and when such opportunities arise.

Pending the utilisation of the Net Proceeds for such purposes, such proceeds may be placed in deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Subscription as and when such proceeds are materially disbursed and provide a status report of the use of proceeds from the Proposed Subscription in the Company's annual report and unaudited results announcements. Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation.

### 4.8 Directors' confirmation

The Directors are of the opinion that, as at the Latest Practicable Date after taking into consideration:

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## LETTER TO SHAREHOLDERS

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- (a) the Group's present bank facilities<sup>7</sup>, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the foregoing, the purpose of the Proposed Subscription is to raise funds to partially finance the Proposed Acquisition and general working capital purposes as disclosed in paragraph 4.7 of this Circular; and
- (b) the Group's present bank facilities<sup>7</sup> and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

### 4.9 Shareholders' Approval for the Proposed Subscription

- (a) Shareholders' Approval for the Proposed Subscription

The Subscription Shares will not be issued pursuant to the general mandate approved by the Company's Shareholders at the annual general meeting of the Company held on 30 April 2021 and will be subject to Shareholders' approval by way of an ordinary resolution at the EGM pursuant to Catalist Rules 803, 805(1) and 811(3), as elaborated below.

- (b) Rule 803 of the Catalist Rules

Pursuant to Rule 803 of the Catalist Rules, an issuer must not issue securities to transfer a Controlling Interest without prior approval of shareholders in general meeting.

The Proposed Subscription and the allotment and issuance of the Subscription Shares will cause a transfer of Controlling Interest to each of the Investors, as each of the Investors will have such number of Shares representing more than 15% of the Enlarged Share Capital upon completion of the Proposed Transactions. Shareholders' approval for the Proposed Subscription and the issuance of the Subscription Shares is therefore required pursuant to Rule 803 of the Catalist Rules.

- (c) Rule 805(1) of the Catalist Rules

Section 161 of the Act 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 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 proposed allotment and issuance of the Subscription Shares, representing approximately 158.4% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the Latest Practicable Date, will be made pursuant to a specific mandate and the Company is seeking specific Shareholder's approval for the proposed allotment and issuance of the Subscription Shares in accordance with Rule 805(1) of the Catalist Rules.

- (d) Rule 811(3) of the Catalist Rules

Rule 811 of the Catalist Rules provides that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST

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<sup>7</sup> As at the Latest Practicable Date, the Group currently does not have any bank facilities and has (a) a loan from a Substantial Shareholder amounting to US\$333,842 which is interest bearing and repayable on demand and secured over the Company's remaining 50% plus one share shareholding in TML and (b) financing commitments available from third party lenders amounting to US\$1.8 million.

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for the full market day on which the placement or subscription agreement is signed, unless specific shareholder approval is obtained for the issue of shares. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed.

The Issue Price of S\$0.0018 represents a 64.0% discount which exceeds 10% of the volume weighted average price of S\$0.005 for trades done on the Shares on the SGX-ST for the full market day on 25 May 2021, being the market day on which the Subscription Agreement was executed. The Company is therefore required to seek the specific approval of Shareholders for the issuance of the Subscription Shares at the Issue Price under Rule 811(3) of the Catalyst Rules.

### 5. PROPOSED DISTRIBUTION

With reference to paragraph 4.5(c) of this Circular, the determination of the Proposed Distribution (as defined below) is a condition precedent to the Subscription Agreement.

Subject to applicable laws and regulations (including the Act and the Catalyst Rules) and Completion taking place, the Company hereby declares that with effect from the record date to be announced by the Company for determination of Entitled Shareholders, the Company holds and continue to hold in trust and as nominee for the Entitled Shareholders and will allocate for distribution to the Entitled Shareholders by way of dividends or such other mode(s) prescribed by laws and regulations, all the contingent Proceeds (if any) that may be received by:

- (a) the Company and its subsidiaries, TML, TriReme Medical (Singapore) Pte. Ltd. and Quattro Vascular Pte. Ltd. under the asset purchase and option agreement dated 24 May 2018 from Teleflex Life Sciences Unlimited Company and Teleflex Incorporated in the event certain milestones are met and/or Teleflex Life Sciences Unlimited Company and Teleflex Incorporated exercise the option to acquire Chocolate Heart™. Further details can be found in the Company's announcement dated 24 May 2018 and circular dated 1 June 2018; and
- (b) the Company and TML under the GV APA in the event requisite approvals of the FDA are obtained and sales are made from Chocolate Touch® as well as any disposal of Chocolate Touch®. Further details can be found in the Company's announcement dated 27 August 2020 and circular dated 13 July 2020,

PROVIDED THAT the following obligations under the shareholders' agreement dated 5 May 2021 entered into between the Company, TML, MDIE Pte. Ltd. and Emerald Apex Pte. Ltd. have been satisfied by the Company:

- (i) the Company assumes, and agrees to promptly pay, any and all Liabilities (including any liabilities arising in connection with the Company's announcement dated 30 August 2021 on the potential legal proceedings with InnoRa GmbH and any liabilities arising from the qualifying exit event as announced by the Company on 15 May 2019);
- (ii) as to any Proceeds that the Company may directly receive under the GV APA, (A) the Company will use such proceeds to immediately satisfy all amounts owed to TML on account of Liabilities borne by TML as provided; and thereafter (B) the Company will hold in escrow 30% of such Proceeds for so long as any future Liabilities are anticipated in connection with any actual or threatened third party claim or action; and
- (iii) in the event that the Company fails to pay any Liabilities within seven days of notice thereof and there are then insufficient Proceeds held by TML to pay same, TML may

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advance such amounts and then withhold and retain from the Proceeds an amount equivalent to such advanced amounts, plus a late fee of 1.0% per month (compounded monthly) until paid. TML is authorised to reserve or apply any Proceeds held by it from time to time to create reasonable reserves for or pay Liabilities or pay amounts previously advanced by TML to pay Liabilities (including the late fee accrual thereon),

("Proposed Distribution").

For the avoidance of doubt, the Entitled Shareholders will be entitled to the Proposed Distribution, and the Proposed Distribution will not be available in respect of the new shares to be issued pursuant to the Proposed Subscription and the Proposed Acquisition.

The Proposed Distribution will be administered by the board of directors of the Company from time to time, which will determine the timing of the Proposed Distribution as and when appropriate, provided that any payment of the Proposed Distribution shall be subject to all applicable laws and regulations (including the Act and the Catalyst Rules).

Shareholders should note that there is no certainty nor assurance that any proceeds will eventually be available for the Proposed Distribution.

### 6. PROFORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The pro forma financial effects of the Proposed Transactions on the NTA or NTL per Share and LPS are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the enlarged Group following completion of the Proposed Transactions.

For illustrative purposes only, the financial effects of the Proposed Transactions set out below have been prepared based on the audited financial statements of the Group for the Financial Year ended 31 December 2020 and the Healthcare Group Pro Forma Report. The financial effects have been prepared on the following assumptions:

- (a) estimated expenses of approximately S\$1.1 million to be incurred in relation to the Proposed Transactions;
- (b) the Proposed Transactions have been completed at the end of that financial year for the purposes of computing the effect on the pro forma NTA/NTL per share of the Group based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020;
- (c) the Proposed Transactions have been completed on 1 January 2020 for the purposes of computing the effect on the pro forma LPS for the Group based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020 and Healthcare Group Pro Forma Report;
- (d) in view of Healthcare Group Restructuring pursuant to which the Vendor transferred the Transferred Business and Assets into the newly incorporated Target Company and its subsidiaries, the Directors are of the view that the NTA value of the Healthcare Group as at 31 December 2020 constituted the net book value of the property, plant and equipment which as at 31 December 2020; and
- (e) none of the outstanding options, awards and warrants issued by the Company are exercised.



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### Share Capital

The effect of the Proposed Transactions on the issued share capital of the Company are as follows:

<b>Based on the audited consolidated financial statements of the Company for FY2020</b>		<b>Upon completion of the Proposed Transactions</b>	
<b>Company</b>		<b>Company</b>	
<b>Number of Shares ('000)</b>	<b>Share Capital (US\$'000)</b>	<b>Number of Shares ('000)</b>	<b>Share Capital (US\$'000)</b>
2,235,271	173,182	6,572,787	178,885

### NTA/NTL

The effect of the Proposed Transactions on the (NTL)/NTA per share of the Group are as follows:

	<b>Before completion of the Proposed Transactions</b>	<b>Upon completion of the Proposed Transactions</b>
	<b>Group</b>	<b>Group</b>
<b>(NTL)/NTA as at 31 December 2020 US\$'000</b>	(710)	2,162
<b>(NTL)/NTA per Share US\$</b>	(0.0003) <sup>1</sup>	0.0003 <sup>2</sup>

<sup>1</sup> Calculated based on the number of shares of the Company as of 31 December 2020.

<sup>2</sup> Calculated based on 6,572,787 Shares.

### LPS

The effect of the Proposed Transactions on the LPS of the Group are as follows:

	<b>Before completion of the Proposed Transactions</b>	<b>Upon completion of the Proposed Transactions</b>
	<b>Group</b>	<b>Group</b>
<b>Net Loss of the Group for FY2020 US\$'000</b>	(7,577)	(7,943)
<b>Weighted average number of Shares (excluding treasury shares) '000</b>	2,235,271	6,572,787
<b>Net LPS US\$</b>	(0.0034)	(0.0012)

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### 7. RATIONALE FOR THE PROPOSED TRANSACTIONS AND INTENDED USE OF PROCEEDS FROM THE PROPOSED SUBSCRIPTION

The Company intends to diversify the Group's core business to include the New Businesses. In furtherance of the Proposed Diversification, the Company has been in discussions with various third parties to explore a collaboration through joint ventures with potential business partners, so as to leverage on the expertise and resources of the business partner(s) for such joint venture company to assist it in undertaking the New Businesses more effectively and efficiently.

With the intention to diversify its business while considering its financial standing, the Company had decided to enter into the Proposed Acquisition with right of first refusal to acquire the remaining 40% of the share capital of the Target Company in future should the Vendor wish to sell his shareholdings in the Target Company. Upon completion of the Proposed Acquisition, the Vendor is envisaged to sign a service agreement to be the proposed Chief Operating Officer (Dental) of the Healthcare Group (as illustrated in the new corporate structure after the Proposed Transactions as detailed in this paragraph below). The Vendor's background can be found in paragraph 3.4 of this Circular.

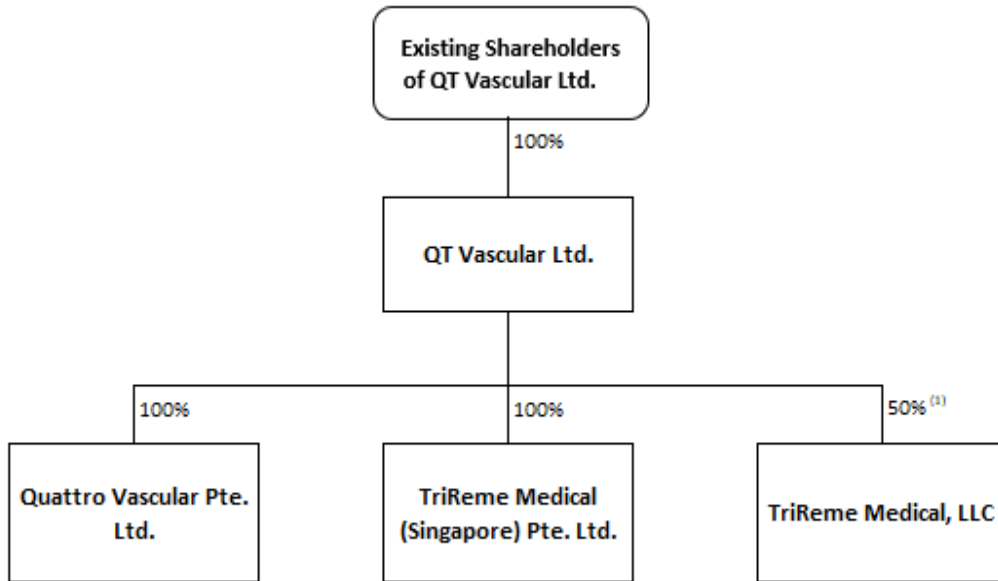
To partially fund the Proposed Acquisition, the Company entered into the Proposed Subscription with the Investors. The Investors had separately expressed interest in investing in the Company in support of the potential business growth pursuant to the diversification into the Healthcare Business. In addition, the Directors are of the view that the Proposed Subscription is beneficial to the Group as it will allow the Group to strengthen its financial position, improve the Group's cash flow and increase working capital available to the Group.

Following the completion of the Proposed Subscription, Mr. Thomas Tan Gim Chua, being the single largest controlling shareholder with percentage shareholding of approximately 24.2% of the Enlarged Share Capital of the Company after the Proposed Transactions, is envisaged to be a proposed Executive Director of the Company. Mr Tan's background can be found in paragraph 9 of this Circular. The management is of the view that the Proposed Subscription will help align the interests of the Investors with that of the Company. In addition, the Company can tap on the extended business network of the Investors, in particular Mr. Thomas Tan Gim Chua, to facilitate further strategic partnerships and commercial opportunities to support and strengthen the Company's investments and ventures in the Healthcare Business as well as exploring other strategic opportunities in relation to the Medical Equipment Business and the Medical and Wellness Business.

In addition to providing a new corporate direction for the Shareholders, the Company has also taken steps to ensure that the interest of its Shareholders is safeguarded by ensuring, *inter alia*, that the Proposed Distribution is attributable only to all Entitled Shareholders (and will not be attributable to the Vendor nor the Investors).

A diagram illustrating the corporate structure of the Group before the Proposed Transactions is as follows:

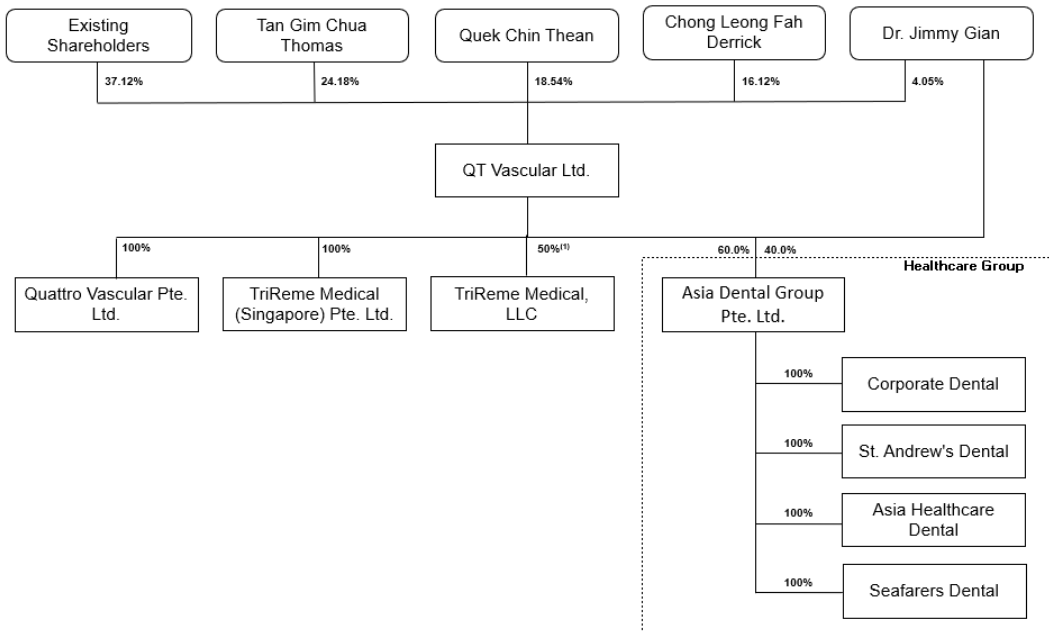
**LETTER TO SHAREHOLDERS**



**Note:**

(1) The Company owns one (1) share more than 50% of the share capital of TML.

A diagram illustrating the changes in controlling shareholding and corporate structure of the Group after the Proposed Transactions is as follows:



**Note:**

(1) The Company owns one (1) share more than 50% of the share capital of TML.

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**LETTER TO SHAREHOLDERS**

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**8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

**8.1 Directors' Interests**

As at the Latest Practicable Date, the interests of the Directors in the Shares based on information in the Register of Directors' Shareholdings maintained by the Company pursuant to Section 164 of the Act are as follows. Save as disclosed below, none of the Directors, other than in their respective capacity as Shareholders of the Company, has any interest, direct or indirect, in the Proposed Transactions.

	Before the Proposed Transactions		After the Proposed Transactions	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(2)</sup>
<b>Directors</b>				
Momi Mimon Brosh	18,005,412	0.7	18,005,412	0.2
Sho Kian Hin	_(3)	_(4)	_(3)	_(4)
Ng Boon Eng	-	-	-	-

**Notes:**

- (1) Based on the Company's issued and paid-up share capital of 2,559,739,174 Shares before the Proposed Transactions.
- (2) Based on the Company's Enlarged Share Capital of 6,893,072,508 Shares after the Proposed Transactions.
- (3) Less than 1,000 Shares.
- (4) Less than 0.01%.

**8.2 Substantial Shareholders' Interests**

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares based on information in the Register of Substantial Shareholders maintained by the Company pursuant to Section 88 of the Act are as follows:

	Before the Proposed Transactions		After the Proposed Transactions	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(2)</sup>
<b>Substantial Shareholders</b>				
MDIE Pte. Ltd. <sup>(3)</sup>	177,479,182	6.9	177,479,182	2.6
Mission Well Limited <sup>(4)</sup>	287,974,600	11.3	287,974,600	4.2

**Notes:**

- (1) Based on the Company's issued and paid-up share capital of 2,559,739,174 Shares before the Proposed Transactions.
- (2) Based on the Company's Enlarged Share Capital of 6,893,072,508 Shares after the Proposed Transactions.

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- (3) Tanhum Feld is the sole owner of MDIE Pte. Ltd. and is deemed interested in the Shares held by MDIE Pte. Ltd..
- (4) Christian Kwok-Leun Yau Heilesen is the sole owner of Mission Well Limited and is deemed interested in the Shares held by Mission Well Limited.

### 9. DIRECTORS' SERVICE CONTRACTS

Mr. Thomas Tan Gim Chua, one of the Investors, will be co-opted onto the board of the Company as an executive director of the Company on completion of the Proposed Subscription, and his appointment will be subject to Shareholders' approval at the next annual general meeting of the Company.

Mr. Thomas Tan Gim Chua's working experience includes appointment as engineer from 1997 to 2000 in Nokia (S) Pte Ltd which is in the business of telecommunications, managing director of Ridgeline Technology Pte Ltd from 2000 to 2016 which is in the business of information technology info-communications and director and chief executive officer of Lifeline Corporation Pte Ltd from 2019 to 2021, a company with a presence in Singapore, Malaysia, Philippines and Australia specialising in the manufacture, sale and distribution of certain medical rehabilitation devices such as wheelchairs and beds to hospitals.

Mr. Thomas Tan Gim Chua graduated from the Nanyang Technological University in 1997 with a Bachelor of Engineering.

Mr. Thomas Tan Gim Chua is a full member of the Singapore Institute of Directors.

The Company is of the view that Mr. Thomas Tan Gim Chua's past experience of 16 years as a managing director of Ridgeline Technology Pte Ltd and five years as an executive director / chief executive officer of Lifeline Corporation Pte Ltd, will contribute to the future direction, management and operations of the New Businesses of the Company.

His appointment to the board of the Company is to tap on his extended business network to facilitate further strategic partnerships and commercial opportunities to support and strengthen the Company's investments and ventures in the Healthcare Business as well as exploring other strategic opportunities in relation to the Medical Equipment Business and the Medical and the Medical and Wellness Business. The Company will discuss with Mr. Thomas Tan Gim Chua on the appropriate measures to resolve or mitigate any conflicts of interest which may arise at the appropriate juncture.

Save as disclosed above, no person is proposed to be appointed as a Director of the Company in connection with the Proposed Transactions and no service contract is proposed to be entered into between the Company and any such person.

### 10. DIRECTORS' RECOMMENDATIONS

Having fully considered, amongst others, the terms of the SPA (including the Acquisition First Supplemental Agreement, the Second Supplemental Agreement and the Acquisition Third Supplemental Agreement) and the Subscription Agreement (including the Subscription First Supplemental Agreement, the Second Supplemental Agreement and the Subscription Third Supplemental Agreement) and the rationale for the Proposed Transactions, the Directors are of the opinion that the Proposed Transactions are in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolutions in respect of the Proposed Transactions, as set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 11. EXTRAORDINARY GENERAL MEETING

- 11.1** Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via live webcast or listening to the EGM proceedings via live audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.
- 11.2** Accordingly, the EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held by way of electronic means (via LIVE WEBCAST i.e. to contemporaneously observe the proceedings of the meeting by audio and video means and AUDIO ONLY MEANS i.e. contemporaneous observation of the meeting proceedings by audio only means such as by telephone), on 8 January 2022 at 9.30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the Ordinary Resolutions in relation to the Proposed Transactions as set out in the Notice of EGM.
- 11.3** As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and any prevailing guidelines issued by the government authorities. Accordingly, the Company may be required to take further measures as appropriate, at short notice, up to the date of the EGM, in relation to the convening of the EGM. Conversely, the Company needs to prepare for the EGM logistics based on circumstances prevailing as at the latest practicable time before the issue of the Notice of EGM and Shareholders will not be able to attend a physical meeting in person even if the situation improves by the date of the EGM. The Company would like to thank Shareholders for their patience, understanding and co-operation, in this regard. **Shareholders should check the Company's announcements on SGXNET for any latest updates in relation to the EGM.**

### 12. ACTIONS TO BE TAKEN BY SHAREHOLDERS

- 12.1** Due to the current COVID-19 restriction orders in Singapore, Shareholders will NOT be allowed to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM through a "live" webcast or "live" audio feed as set out below:

- (a) Watching the EGM proceedings via Webcast

Shareholders must pre-register at the pre-registration website at the URL: <https://complete-corp.com/qt-vascular-egm/> from now till 6 January 2022 at 9.30 a.m. to enable the Company to verify their status as Shareholders.

Following the verification, authenticated Shareholders will receive an email by 12.00 p.m. on 7 January 2022. The email will contain login credentials and instructions to access the live audio-visual webcast or audio-only of the EGM proceedings. Shareholders who do not receive an email by 12.00 p.m. on 7 January 2022, but have registered by 9.30 a.m. on 6 January 2022, should contact the Company's Polling Agent at [qt-vascular-egm@complete-corp.com](mailto:qt-vascular-egm@complete-corp.com).

- (b) Submitting questions in advance of the EGM

Shareholders will not be able to ask questions during the live audio-visual webcast of the EGM proceedings. Therefore, it is important for Shareholders to pre-register and submit their questions in advance of the EGM.

Shareholders can submit questions related to the ordinary resolution to be tabled for approval at the EGM to the Chairman of the EGM, in advance, via email to the

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Company at [ktong@trirememedical.com](mailto:ktong@trirememedical.com) and should include the Shareholder's identification details to allow the Company to verify Shareholder's status. All questions must be submitted by 9.30 a.m. on 31 December 2021. The Company shall address substantial and relevant questions (as may be determined by the Company in its sole discretion) received from the Shareholders relating to the Proposed Transactions prior to or at the EGM via SGXNet and the Company's website.

The Company will publish the minutes as well as responses to the questions received for the EGM on the SGXNet and on the Company's corporate website within one month after the date of the EGM.

(c) Voting by Proxy

Shareholders (other than CDP) holding Shares who wish to vote, should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed therein as soon as possible and, must appoint the Chairman of the EGM as their proxy by completing and submitting the Proxy Form to the Company in the following manner:

- (i) If submitted by post, be deposited at registered office of the Company at 18 Boon Lay Way, #10-140(D) TradeHub 21, Singapore 609966; or
- (ii) If submitted electronically, be submitted via email to the Company at [ktong@trirememedical.com](mailto:ktong@trirememedical.com) or to the Company's share registrar, Tricor Barbinder Share Registration Services at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com);

in either case not later than 48 hours before the time fixed for holding the EGM, which is by 9.30 a.m. on 6 January 2022.

- 12.2** In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting in the Proxy Form, failing which the appointment will be treated as invalid. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.
- 12.3** **In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**
- 12.4** The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly complete, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case the appointor submits more than one instrument of proxy).
- 12.5** A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited at least 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote on any or all of the resolution at the EGM by appointing the Chairman of the EGM as his/her proxy to do so on his/her behalf. In view of Section 81SJ(4) of the Securities and Futures Act (Cap. 289), Singapore, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least 72 hours before the EGM. Any Shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP 72 hours before the EGM will not be entitled to attend and vote at the EGM. Accordingly, even if such shareholder deposits his/her proxy form 48 hours before the EGM, the Chairman of the EGM who is appointed as his/her proxy will not be entitled to vote on his/her behalf at the EGM.

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## LETTER TO SHAREHOLDERS

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### 13. RESPONSIBILITY STATEMENTS

#### 13.1 Directors

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 as set out herein, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

#### 13.2 Financial Adviser

To the best of PPCF's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Proposed Diversification, the Company and its subsidiaries, and PPCF, as the financial adviser in relation to the Proposed Acquisition and the Proposed Diversification, is not aware of any facts the omission of which would make any statement in this Circular misleading.

### 14. CONSENTS

14.1 PPCF, the Financial Adviser to the Company in relation to the Proposed Acquisition and the Proposed Diversification has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

14.2 The Valuer has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Summary Valuation Letter as set out in **Appendix A** and all references to the Valuation Report, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

14.3 The Company's legal adviser, Rajah & Tann Singapore LLP, has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

### 15. DOCUMENTS AVAILABLE FOR INSPECTION

15.1 Copies of the following documents may be inspected at the registered office of the Company at 18 Boon Lay Way, #10-140(D) TradeHub 21, Singapore 609966 during normal business hours for a period of three months from the date of this Circular:

- (a) the Valuation Report and the Summary Valuation Letter;
- (b) Healthcare Group Pro Forma Report;
- (c) the Constitution of the Company;
- (d) the annual report of the Company for the financial year ended 31 December 2020;



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## LETTER TO SHAREHOLDERS

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- (e) the SPA (including the Acquisition First Supplemental Agreement, the Second Supplemental Agreement and the Acquisition Third Supplemental Agreement);
- (f) the Subscription Agreement (including the Subscription First Supplemental Agreement, the Second Supplemental Agreement and the Subscription Third Supplemental Agreement); and
- (g) the consent letters stated in paragraph 14 of this Circular.

**15.2** Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to [ktong@trirememedical.com](mailto:ktong@trirememedical.com) to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect the documents accordingly. The inspection of documents will be arranged with each shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

Yours faithfully,  
For and on behalf of the Board of Directors of **QT Vascular Ltd.**

**Sho Kian Hin**  
Director

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**APPENDIX A – SUMMARY VALUATION LETTER**

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20 December 2021

18 Boon Lay Way  
#10-140D, TradeHub 21  
Singapore 609966

Dear Board of Directors,

## **Project Care – Independent Valuation of Asia Dental Group Pte. Ltd.**

### **1. Introduction**

Vallarid Deal Advisory Pte Ltd (“VALLARIS”, “us” or “we”) has been appointed by QT Vascular Ltd. (“QTV”, “Company”, “Engaging Party”, “you” or “your”) to provide an independent valuation of the 60% equity value of Asia Dental Group Pte. Ltd. and its wholly owned subsidiaries Asia Healthcare Dental Pte. Ltd., St. Andrew Dental Pte. Ltd., Corporate Dental Pte. Ltd. and Seafarers Dental Pte. Ltd. (each a “Target”, collectively “Target Group”) as at 30 June 2021 (the “Valuation Date”) in relation to the proposed acquisition of 60% of the entire issued and paid-up share capital of Asia Dental Group Pte. Ltd. from Dr. Gian Siong Lin Jimmy (the “Vendor”) (the “Proposed Transaction”).

Unless otherwise stated, all capitalised terms used in this Letter shall have the same meanings ascribed to them in the Circular.

This is a summary of our Valuation Report dated 20 December 2021 (the “Report”). Accordingly, this Letter should be read in conjunction with the full text of the Report.

### **2. Proposed Transaction**

The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. On 25 May 2021, the board of directors (“Directors”) of QT Vascular Ltd. announced that the Company entered into a sale and purchase agreement dated 25 May 2021 (the “SPA”) with the Vendor to acquire 60% of the Target Group from the Vendor.

The aggregate consideration is up to SGD 7.65 million.

Asia Dental Group Pte. Ltd. and its subsidiaries are in the business of providing dental services and operations management and consultancy services to certain Government entities and/or corporate clients.

### **3. Terms of Reference**

The objective of this Letter is to provide an independent market value range of the Target Group as at the Valuation Date.

We are not expressing an opinion on the commercial merits and structure of the Proposed Transaction and accordingly, this Letter and the Report do not purport to contain all the information that may be necessary or desirable to fully evaluate the commercial or investment

merits of the Proposed Transaction by the shareholders of the Engaging Party. The assessment of the commercial and investment merits of the Proposed Transaction is solely the responsibility of the Directors.

We have not had regard to any general or specific investment objectives, financial situation or individual circumstances of any investor. This Letter does not constitute and cannot be construed as an advice, a recommendation, or any form of judgement or opinion to any person in connection with the Proposed Transaction. Such person or prospective investors of the Engaging Party should seek his/her own professional advice in connection with the Proposed Transaction.

We are not required to and have not conducted a comprehensive review of the business, operational or financial condition of the Target Group. Accordingly, this Letter and our Report do not make any representation or warranty, expressed or implied, in this regard.

Our scope of work does not require us to express, and we do not express a view on the future prospects of the Company. We are therefore not expressing any views on the future trading price of the shares or the financial condition of the Engaging Party upon completion of, inter alia, the Proposed Transaction.

Our terms of reference do not require us to provide specific advice on legal, regulatory, accounting, property or taxation matters and where specialist advice has been obtained by the Engaging Party and/or the Target Group and made available to us, we have considered and, where appropriate, relied upon such advice.

Our work is not of the same nature as an audit and does not constitute an audit. We are not, therefore issuing an audit opinion. Instead, our work is in the nature of a review of the information provided to us, discussions with members of management of the Target Group (the "Target Group Management").

Our independent opinion on the estimate of the market value of the Target Group will not form a basis of the price at which the Target Group is to be acquired. The Letter and the Report and the data on which the Letter and the Report is prepared is not intended to form the basis of any acquisition decision in relation to the Proposed Transaction and does not contain all the information that is necessary to fully evaluate the Proposed Transaction.

Other than this engagement, VALLARIS has had no involvement in any other aspects pertaining to the Proposed Transaction including, without limitation, the negotiations, the deliberations or the decision by the respective parties to enter into the Proposed Transaction.

VALLARIS's compensation is not contingent upon the reporting of a pre-determined value or direction in value that favours the cause of the Company, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Our valuation is based on the prevailing market, economic, industry, monetary and other conditions and on the information made available to us as of the Valuation Date. We assume no responsibility to update, revise or reaffirm our evaluation or assumptions set out in this Letter to reflect events or developments subsequent to the date of this Letter and the Report.

In early 2020, the emergence of the COVID-19 coronavirus pandemic has led to significant volatility and declines in the global public equity markets, resulting in significant uncertainty regarding the impact on the global economy both in the short and long term. Potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. The resulting financial and economic market uncertainty could have a

significant adverse impact on market values. In order to account for the increased economic risks and evolving concerns in the investment community related to COVID-19 that existed as of the Valuation Date, we have considered discount rate premiums and/or other adjustments in our analysis, where appropriate. Market and economic conditions can change significantly over relatively short periods of time as a result of the evolving COVID-19 situation. Any references made to the impact of COVID-19 in the Report are not to be interpreted as a complete commentary or as an accurate assessment of the full potential impact of the pandemic. Recognizing these factors, we consider that the conclusion we have arrived at may be more susceptible to change than would normally be the case.

#### **4. Use of our Letter and the Report**

The purpose of the Letter and the Report is to determine an independent market value of the Target Group as at Valuation Date and should not be used for any other purposes, within the defined scope and terms and conditions set out in the Engagement Letter.

The Letter and the Report are addressed strictly to, and for the use and benefit of the Directors of the Engaging Party for the purpose as set out above, and accordingly neither the Report nor this Letter may be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the shareholders and prospective investors of the Engaging Party). Any recommendation made by the Directors to the shareholders and prospective investors of the Engaging Party shall remain the responsibility of the Directors.

While a copy of this letter may be incorporated in the Circular, we assume no responsibility for and do not consent to the reproduction or dissemination of all or any part thereof for any other purpose at any time and in any manner without the prior written consent of VALLARIS in each specific case.

#### **5. Reliance on Information and Representation**

The information used by us in preparing the Report has been obtained from a variety of sources as indicated within the Report, including from the Target Group Management and other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by Target Group Management, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of such information, representation or assurance.

Target Group Management has reviewed the information contained in the Report and has confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute full and true disclosure, in all material respects, of all material facts relating to the Target Group as required for the purposes of our valuation and there is no omission of material information, of which if any, would make any of the information considered herein inaccurate, incomplete, or misleading in any material respect.

In no circumstances shall we be liable, other than in the event of our bad faith or willful default, for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by Target Group

Management and the Directors, employees, or agents of the Engaging Party or any person of whom we may have made inquiries of during the course of our work.

## **6. Valuation Methodology**

We have adopted market value as the standard of value for the Target Group. The term “market value” as used in the context of the Report is defined as “the value for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

We have assessed the market value of the Target Group on a going concern basis as at Valuation Date by using the Discounted Cash Flow (“DCF”) method under the Income Approach as our primary valuation methodology. In addition, we have also assessed the reasonableness of our valuation results by cross-checking the market value determined under the Income Approach with the Guideline Public Company (“GPC”) method under the Market Approach.

### **Income Approach**

Under the Income Approach, we have adopted the DCF method. The DCF was constructed based on the Target Group’s business plan and we focused on the existing and projected cash flow of the Target Group on an as-is basis. The valuation involves calculating the present value (“PV”) of the projected free cash flows which are then discounted using an appropriate discount rate, having considered relevant risk factors. We have used the free cash flow to firm (“FCFF”) model to discount the future cash flows by the appropriate discount rate as at Valuation Date. The discount rate used to determine present value of the business has considered specific risk of the Target Group’s operations.

### **Market Approach**

Under the Market Approach, we have adopted the GPC method to cross check the value under our primary approach. Under this method, we used an appropriate multiple observed for similar companies that are publicly traded, having considered, amongst all relevant risk factors, such as business environment and stages of growth.

It should be noted that no two firms are exactly the same in terms of risk profile and growth. The multiples of comparable companies and transactions may vary due to differences in:

- a. business size, characteristics, and composition;
- b. the business environment in which the companies operate in;
- c. stock exchanges on which they trade;
- d. their stage of growth/development;
- e. accounting policies and adjustments; and
- f. their investors and Target Group Management’s expectations of growth.

## 7. Key Assumptions

Our valuation is based on various assumptions with respect to the Target Group, including their respective present and future financial condition, business strategies and the environment in which they will operate in the future. These assumptions are based on the information that we have been provided with and our discussions with or on behalf of the Target Group Management, and reflect current expectations and views regarding future events, and therefore necessarily involve known and unknown risks and uncertainties.

The estimates of earnings and cash flow data, to the extent they relate to the future, reflect the expectations of Target Group Management as to the future prospects of the Target Group and are solely used in our valuation analysis and are not intended for use as forecasts or projections of future operations.

Furthermore, there will usually be differences between estimated and actual results because events and circumstance may, or often do not occur as expected and those differences may be material. To the extent that our conclusions are based on forecasts, we express no opinion on the achievability of these forecasts.

Amongst other assumptions stated in the Report, the key assumptions are as follows:

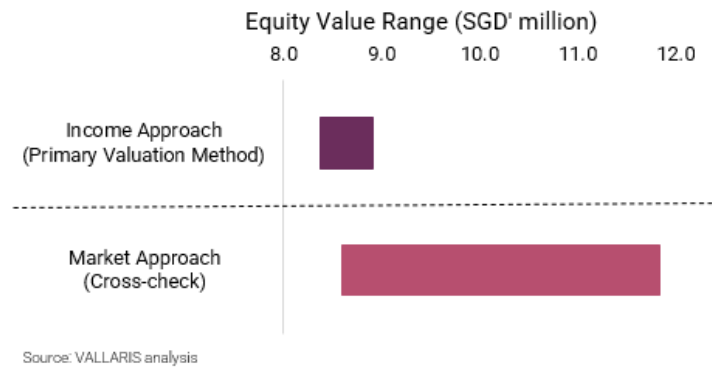
- a. The Target Group will continue to operate on a going concern basis;
- b. All necessary licenses and regulatory approvals have been obtained and the Target Group is assumed to be able to renew business licenses with minimum costs before the expiry of such leases / licenses;
- c. There will be no significant change in the operations and business strategy of the Target Group subsequent to the Valuation Date;
- d. The management accounts as at 30 June 2021 provided by Target Group Management fairly reflect their respective financial positions as at the Valuation Date;
- e. The Target Group has proper and good title to the medical and office equipment, motor vehicle, computer, furniture and fitting, renovation and right-of-use assets without any liens or encumbrances unless otherwise stated;
- f. The financial forecast and its underlying assumptions reflect the Target Group's future business plans and are assumed not to contravene existing regulatory requirements, as well as incorporating their expectation of the future regulations;
- g. Our work performed was based on the assumptions listed in the management account of the Target Group provided by Target Group Management;
- h. The level of capital expenditure and net working capital projected in the financial forecast is assumed to be sufficient to meet the forecast growth;
- i. The taxes applicable to the Target Group will be 17% as projected in the forecast;
- j. The Target Group will be able to obtain the requisite debt or equity funding from financial institutions, shareholders, or potential investors on a timely and commercially reasonable terms basis to meet its cash flow requirement;
- k. Saved as disclosed as part of the appendices in the Circular, the Target Group has no material or significant contingent liabilities or uncertainty, including any litigation pending or threatened, or tax liabilities as at the Valuation Date that warrants consideration in the forecast;
- l. There is no substantial commitment or uncertainty that has arisen subsequent to the Valuation Date, which is material to be considered in the forecast;
- m. There will not be any significant changes in the relevant interest and exchange rates from those currently prevailing;

- n. There will not be any significant changes to the management or the operations of the Target Group;
- o. Related-party transactions, if any, are assumed to be conducted on an arm's-length basis;
- p. There are no adverse changes to the economic and real estate market conditions, as well as changes in regulatory, fiscal and other government policies in the countries in which the operations of the Target Group are located;
- q. There are no other surplus or non-operational assets not disclosed to us, which would have a material impact on the value of the Target Group; and
- r. The other assumptions used in this Independent Valuation hold true.

We have set out in the Report the key assumptions used in our valuation as well as risk factors that, in our opinion, may have a material impact on the valuation of the Target Group. It should be noted that it is not an exhaustive list of all risk factors relevant to the Target Group.

## 8. Estimated Value

Based on our terms of reference, valuation methodology and key assumptions above, we estimate the range of equity values of 60% of the Target Group as at 30 June 2021 to be as follows:





## 9. Conclusion

In summary and as detailed in the Report, which should be read in conjunction with this Letter to the Directors, the market value of 60% of the equity of the Target Group based on the DCF Method is in the range of **SGD 8.4 million to SGD 8.9 million** with a mid-point at **SGD 8.6 million** as at the Valuation Date.

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this Letter and the Report. Such conditions may change significantly over a relatively short period of time and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this Letter to reflect events or developments subsequent to the date of this Letter and the Report.

Yours faithfully,

For and on behalf of Vallaris Deal Advisory Pte Ltd



**MUN SIONG YOONG**, CVA, FCA, FCCA, B.Eng  
FOUNDER AND CEO  
Practice Leader, Deal Advisory

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## APPENDIX B – RISK FACTORS

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### RISKS RELATING TO THE PROPOSED DIVERSIFICATION AND THE NEW BUSINESSES

#### ***The Group has no prior track record and operating experience in the New Businesses***

The Group does not have a prior track record in the carrying out or implementation of the New Businesses. There is no assurance that the Group's foray into the New Businesses will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital, start-up and/or acquisition costs as well as operating costs arising from the New Businesses. The New Businesses may require significant capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Group will be affected by factors affecting the dental, medical equipment and/or medical aesthetics and wellness sector in the regions where the Group ventures into, as well as the trends and developments affecting such sectors in general. The Group's future plans with regard to the New Businesses may not be profitable, may not achieve sales levels and profitability that justify the investments and/or acquisition costs made and may take a long period of time before the Group could realise any return.

Further, such future plans and new initiatives could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debt and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group. The Group may face significant financial risks before it can realise any benefits from its investments in the New Businesses.

#### ***Negative publicity, including those relating to any of the Group's Directors, Substantial Shareholders and/or Executive Officers, may adversely affect its Share price***

Any negative publicity or announcement relating to any of the Group's Directors, Substantial Shareholders and/or Executive Officers may adversely affect the public's perception of the Group. Such negative publicity or announcement may include, amongst other things, involvement in insolvency proceedings and failed attempts in takeovers and joint ventures.

#### ***There is no assurance that the Group's expansion plans will be successful***

In order to grow its business in the future, the Group may expand its operations both locally and overseas or explore acquisitions, joint ventures and/or strategic alliances which it believes will complement its current and future businesses. Details of the Group's future plans are discussed under paragraph 3 of this Circular.

These expansion plans will require substantial capital expenditure and financial resources. The success of the Group's expansion plans depends on many factors, some of which are not within its control. The number of attractive expansion opportunities may be limited and may command high valuations, and the Group may be unable to secure the necessary financing to implement such expansion plans. The Group may also be unable to achieve a sufficient level of revenue or manage its costs effectively, or may be unable to identify suitable expansion opportunities. All the above factors could cause the commencement of these planned expansions to be delayed. However, there is no assurance that circumstances beyond its control will not arise. In the event that any of the above scenarios develop into actual events, the Group's future financial performance and position may be adversely affected.

Moreover, the Group may face difficulties arising from operating a significantly larger and more complex organisation as a result of acquiring new businesses, and it may not be able to effectively manage a larger enterprise or achieve the desired profitability from such acquisitions or expansion. The Group's acquisitions could also be subject to certain additional risks, including:

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## APPENDIX B – RISK FACTORS

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- difficulties arising from operating a significantly larger and more complex organisation and expanding into new areas and territories, for example, having to comply with unfamiliar government authorities and regulations;
- difficulties in the integration of the assets and operations of acquired businesses with its existing assets and business;
- the loss of customers and other key staff following any acquisition;
- the diversion of management's attention from its existing businesses and an interruption of, or a loss of momentum in, the activities of such services;
- the failure to realise expected profitability or growth;
- the failure to realise expected synergies and cost savings;
- difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting;
- unforeseen legal, regulatory, contractual, labour or other issues; and
- difficulties arising from language, cultural and geographic barriers.

If the Group is unable to manage the growth in its business or is unable to successfully integrate newly acquired Healthcare Business, its ability to compete effectively could be impaired, and this may result in a material adverse effect on its business, financial condition, results of operations and prospects.

### RISKS RELATING TO THE HEALTHCARE BUSINESS

***The Healthcare Business is subject to laws, rules and regulations in Singapore and other jurisdictions which the Group may operate***

The Healthcare Business is subject to laws, rules and regulations in Singapore and other jurisdictions which the Group may operate, governing among other things:

- the conduct of its operations;
- additions to facilities and services;
- the quality of dental and medical facilities, equipment and services;
- the purchase of medications and pharmaceutical drugs;
- the handling and disposal of bio-medical, radioactive and other hazardous waste;
- the qualifications of dental, medical and support personnel;
- the confidentiality and maintenance of, and security issues associated with personal data protection such as the patient's dental or medical records; and
- the screening, stabilisation and transfer of patients who have emergency conditions.

Safety, health and environmental laws, rules and regulations in Singapore are stringent and it is possible that they could become significantly more stringent in the future. If the Group is held (whether by courts

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## APPENDIX B – RISK FACTORS

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or governmental agencies) to be in violation of such regulatory requirements, including conditions in the permits and licences required for its operations, it may have to (a) pay fines, (b) modify, suspend or discontinue its operations, (c) incur additional operating costs, or (d) make capital expenditures. The Group's employees may also face criminal charges in some instances. Any public interest or class action legal proceedings relating to such safety, health or environmental matters could also result in the imposition of financial or other obligations on the Group. Any such costs may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

For the purposes of operating its clinics in Singapore, the Group will have to from time to time obtain, maintain and/or renew licences (including, but not limited to, medical and/or x-ray licences). The obtaining, continued maintenance, and/or renewal, of such licences are subject to compliance with relevant laws, rules and regulations. There is no assurance that all relevant licences will be obtained maintained and/or renewed upon expiry. Should any licences of the Group not be obtained, maintained and/or renewed, this may result in a breach (regulatory or otherwise) and may have an adverse effect on the Group's operations and financial performance.

Changes to existing laws, rules and regulations could also have a negative impact on the Group's operations. There may be situations where changes in laws, rules or regulations in the jurisdictions where the Group operates may result, for example, in a need to reassess existing licensing arrangements for particular clinics in certain jurisdictions. Additionally, compliance with such new laws, rules and regulations may increase the Group's costs and any significant increase in such compliance costs may adversely affect the Group's profitability.

### ***The Group's inability to attract and retain adequate dentists or dental clinic assistants in Singapore may adversely affect its growth***

The Healthcare Business is dependent on its dentists. The Group's performance and execution of its growth strategy depends substantially on its ability to attract and retain dentists and other dental-related healthcare professionals in the fields and regions relevant to the Group's growth plans.

Following the completion of the Proposed Acquisition, all of the Group's dental clinics will be based in Singapore. Its expansion plans include the setting up of more dental clinics and the acquisition of existing dental clinics in Singapore. Its continued expansion may be hampered if it is unable to source for and/or employ sufficient dentists to staff these dental clinics.

There has been a relatively tight supply of dentists in Singapore, and this is exacerbated by the stringent requirements put in place by the Singapore Dental Council in respect of the registration of foreign-trained dentists.

In general, only applicants with degrees from specified foreign universities in Australia, Canada, Hong Kong Special Administrative Region ("**SAR**"), New Zealand, the Republic of Ireland, the United Kingdom and the United States are able to apply directly to the Singapore Dental Council for conditional registration. Applicants with degrees from other universities will only be able to apply for conditional registration after, inter alia, having sat for and passed a qualifying exam. Subject to the Singapore Dental Council's approval, dentists under conditional registration may apply for conversion to full registration after two years of supervised practice. The difference between conditional registration and full registration is that dentists under conditional registration are required to work under the supervision of at least one of his two supervisors (i.e. fully registered dentists with minimum five years of experience after graduation and approved by the Singapore Dental Council), while dentists under full registration are allowed to practise independently in Singapore.

In addition, there is a shortage in the supply of dental clinic assistants in Singapore due to the tightening of foreign worker policies. Furthermore, these positions do not generally appeal to the locals. Dental clinic assistants are crucial in the operations of dental clinics.

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## APPENDIX B – RISK FACTORS

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In addition, the Group's competitors may seek to expand through recruiting the Group's dentists and dental clinic assistants. If the Group is unable to successfully manage its growth and expansion in Singapore through recruiting and retaining dentists and dental clinic assistants, its operations and financial performance may be adversely affected.

***The Healthcare Business will depend on the continued service of its management team and other key employees***

The Healthcare Business success is dependent to a large extent on the Group's ability to attract and retain its management team and other key employees who are responsible for formulating and implementing its growth, corporate development and overall business strategies. The loss of key management personnel without suitable or comparable replacements in a timely manner may have a material and adverse effect on the Group's business, results of operations and financial condition. In addition, since the demand and competition for talent is intense in the industry, and the availability of suitable and qualified candidates is limited, the Group may need to offer higher compensation and other benefits in order to attract and retain key personnel in the future, which could increase its costs.

***The performance of the Healthcare Business is largely dependent on the general economic condition in Singapore***

The revenue of the Healthcare Business is derived mainly from its dental healthcare services in Singapore. The demand for the Group's dental healthcare services is largely dependent on the financial ability and the willingness of patients to pay for private dental healthcare services. General negative market sentiment or a slowdown in the economy may lead to a decrease in demand for Group's dental healthcare services as more patients may opt for subsidised public dental healthcare services available at government hospitals and polyclinics. Moreover, the Group's dental rates will be affected by changes in government healthcare policies in Singapore. There is no assurance that the Group's dental clinics in Singapore will be able to maintain their Community Health Assist Scheme, Pioneer Generation and Medisave accreditations.

Any adverse change in the general economic condition of Singapore and/or government healthcare policies in Singapore may affect the Group's revenue and financial performance.

***Any adverse changes in the political, economic, regulatory or social conditions in the countries which the Group operates or may operate in the future, may have a material and adverse effect on its operations, financial performance and future growth***

While the Group currently operates within Singapore and is subject to the laws, regulations and government policies of Singapore, in the event that the Group expands its operations outside of Singapore, it will be governed by the laws, regulations and government policies in each of the countries which it operates or may operate in the future. Its business and future growth is also dependent on the political, economic, regulatory and social conditions in these countries. Any (a) economic downturn or changes in policies implemented by the governments in these countries, (b) currency and interest rate fluctuations, (c) capital controls or capital restrictions, (d) labour laws, (e) changes in environmental protection laws, (f) restrictions on foreign ownership and entities and (g) regulations, duties, taxation and limitations on imports and exports could materially and adversely affect the Group's operations, financial performance and future growth.

***The Group may be subject to legal claims arising from medical negligence***

The provision of professional dental healthcare services entails inherent risks of potential liability arising from legal claims by patients and regulatory actions by the authorities. From time to time, the Group receives complaints from patients regarding the adequacy of patient care, treatment outcome and pricing disputes. With the advent of new technologies and modalities of treatment, the amount of dental malpractice litigation brought by patients has increased across the industry. Such dental malpractice litigation is typically brought against the patient's dentist, who may also seek to include as a defendant

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## APPENDIX B – RISK FACTORS

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the clinic, centre or hospital at which treatment was given. In addition, the Group's dentists may be subject to disciplinary actions from the respective governing professional bodies and they may be fined and/or have their licences suspended or revoked.

As the Group's dentists are independent practitioners and not employees, the Group is unable to control their practice even though it may be held responsible for their actions by a court. Further, even if the Group is not involved in such dental malpractice litigation, its reputation may be adversely affected by its association with the dentist involved in the dental malpractice litigation. If such dental malpractice litigation is not decided in its or the dentist's favour, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group is subject to risks of investigations, disciplinary actions or legal claims and there is no assurance that the Group will be free from such events. In the event that such claims or disciplinary actions are brought against the Group's dentists, staff or the Group, there may be an adverse and material effect on the Group's financial performance, professional standing and market reputation.

***The Group's insurance coverage may be inadequate to indemnify the Group against all possible liabilities***

The Group maintains general insurance policies covering both its assets and employees in line with general business practices in the dental healthcare industry, with policy specifications and insured limits which it believes are reasonable. The Group's insurance coverage may be inadequate to indemnify the Group against all possible liabilities. There is no assurance that such insurance can be obtained on commercially reasonable terms or at all, or that any such coverage will sufficiently cover any losses suffered by the Group. In addition, the Group's insurance policies will be renewed on an annual basis (if required) and there is no assurance that it will be able to renew all its policies or obtain new policies on similar terms. Liabilities may exceed the Group's available insurance coverage or arise from claims outside the scope of its insurance coverage. In the event that the amount of such claims exceeds the coverage of the general insurance policies which the Group has taken up, it may be liable for shortfalls in the amounts claimed and the Group's business, financial condition and operating results may be adversely affected.

***Increased competition in the industries which the Group operates may affect the Group's ability to maintain its market share and growth***

The dental healthcare services business is highly competitive, and competition among healthcare providers for patients has intensified in recent years.

In Singapore, the Group's competitors will mainly be government hospitals and clinics and other private dental and general healthcare groups, some of which possess greater financial resources and better infrastructure than the Group. Apart from market share, the Group will compete for the relatively limited talent pool of dentists in Singapore. Failure to compete with and differentiate its operations from these competitors may result in a lower market share or fewer dentists joining the Group and this may adversely and materially affect its revenue and profitability.

***An inability to secure suitable sites for its dental clinics in a cost-effective manner may adversely affect the Group's operations***

The Group will need to set up its dental clinics at strategic locations at cost-effective rental rates. As at the Latest Practicable Date, the properties on which the Group will operate its dental clinics are all leased.

The strategic locations of the Group's dental clinics are necessary to enable the Group to reach out to patients. However, there is no assurance that the Group will be able to keep the dental clinics at such locations. For example, in the event that there is an increase in rent and/or redevelopment and/or upgrading works being carried out by landlords of properties on which the Group's dental clinics are

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## APPENDIX B – RISK FACTORS

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located, the Group (may be forced to relocate or absorb the higher rental costs, as the case may be. Failure to renew, or the early termination of, any of the Group's leases may also force the Group to relocate the affected operations. Relocations may cause disruptions to its normal business operations and it may have to incur additional expenses associated with relocations. Moreover, the inability of the Group to relocate its dental clinics to new premises that are in close proximity to the existing premises may lead to a loss of its existing pool of patients, business and location goodwill. If these develop into actual events, the Group's financial condition, results of operations and prospects may be materially and adversely affected.

### ***The outbreak of communicable diseases, if uncontrolled, could affect the Group's business***

The outbreak of communicable or virulent diseases and pandemics/epidemics such as Severe Acute Respiratory Syndrome, H5N1 avian flu, Middle East Respiratory Syndrome, Ebola and most recently, the outbreak in late 2019 of a novel strain of coronavirus being COVID-19, in countries which the Group operates may materially and adversely affect its operations. In addition, any such occurrence could result in sporadic or prolonged market and/or supply disruptions, an economic downturn or recession, volatilities in domestic and/or international financial markets and may materially and adversely affect the Singapore and other economies. The occurrence or developments of any of these events may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In particular, the global outbreak of COVID-19 triggered a global downturn and economic contraction and resulted in disruption of supply chains of medical supplies, personal protective equipment and medical equipment, causing a global shortage of, and delay in obtaining, such medical supplies and equipment. Border control and movement restrictions imposed by governments as a response to the COVID-19 pandemic may also affect the Group's foreign staff from returning to work and its ability to hire foreign staff which may lead to workforce constraints. The decline in the Group's revenue from foreign patients may also affect its profits adversely. In such event, if the Group is unable to seek alternative solutions in response to the workforce constraints, such as the hiring of temporary or contract employees or arranging for its employees to work overtime, this may materially and adversely impede the Group's ability to operate and serve its patients. There is no assurance that the Group will be able to continue to operate and serve patients at the current levels or that there will not be any deterioration in service levels and/or quality.

The COVID-19 pandemic is ongoing and the actual extent of the pandemic and its impact on the domestic, regional and global economy remains uncertain. Accordingly, the actual extent of the impact on the Group's business, financial condition, results of operations and prospects will depend on, among other things, the duration of the COVID-19 pandemic, the severity and length of the economic downturn and the speed and strength of the subsequent recovery. The COVID-19 pandemic could result in protracted volatility in international markets and/or result in a global recession. The foregoing may result in reduced investment and spending and severe unemployment, and an economic downturn of this scale may pose significant challenges to Group's business, and may also affect the ability of its patients to afford its services and/or result in delays in the payment for its services.

The Group will take precautionary measures against the spread of COVID-19 in its dental clinics in line with stringent regulatory requirements, such as frequent cleaning and disinfection of common areas, restricting the number of visitors per day and the duration of visits, ensuring that visitors comply with safe distancing and other guidelines imposed by the Ministry of Health and its employees to be vaccinated against COVID-19. While the Group will implement precautionary measures to ensure the safety and well-being of its employees, there can be no assurance that the precautionary measures that Group takes will always be effective in preventing the spread of COVID-19. For instance, not all of Group's employees may choose to be vaccinated against COVID-19 and further, there can be no assurance that the vaccine will be risk-free and effective with no harmful side effects. Accordingly, it is not possible to completely eradicate the risk of transmission of COVID-19. Further, any failure to comply with the stringent regulatory requirements may also result in penalties being imposed on the Group

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## APPENDIX B – RISK FACTORS

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including, in the worst case, that the dental clinics at which any material non-compliance occurred may have to temporarily cease operations.

***The Group's financial performance could be affected by its inability to contain its operating expenses***

Based on the Healthcare Group Pro Forma Report, employee salaries and benefits expense (comprising mainly professional fees paid to dentists and remuneration paid to dental clinic assistants) accounted for approximately 53.6% and 57.3% of the Healthcare Group's total operating expenses for FY2019 and FY2020 respectively. Competition for trained dentists and dental clinic assistants may require the Group to enhance its various remuneration packages in order to remain competitive in recruiting or retaining them. In addition, any changes in government policies may result in a shortage of trained dentists and dental clinic assistants and may increase the costs of recruiting and retaining such professionals and/or staff. If the Group is unable to pass on such increase in costs to patients, an increase in employee benefits expenditure could have an adverse effect on its financial performance. Furthermore, the Group may face higher costs associated with inflationary pressure in a global economy, which may also affect its profits adversely.

***Inability to keep abreast of advances in dental technology may adversely affect the Group's financial performance***

The Group needs to continually keep up with advances in dental technology relevant to its business. Rapid changes in the dental healthcare industry require sourcing for and investing in new dental equipment and technology. From time to time, the Group also needs to upgrade existing dental and medical equipment and facilities. This may require significant capital expenditure.

If the Group is unable to adapt to and acquire such advances in dental technology, the demand for its dental healthcare services may decline. There is also no assurance that it will be able to recover the financial outlay for these dental equipment and technology. If these develop into actual events, the Group's operations and financial performance may be adversely affected.

***There is no assurance that the Group will be able to secure new customers and maintain relationships with its existing customers***

Due to the nature of the dental industry, there is no certainty on the recurrence of income from the provision of dental services. Whilst the Healthcare Group has entered into such contracts with some customers, these contracts do not guarantee that these customers will continue to renew such contracts with the Group or will not terminate such contracts with the Group. The Group will have to continuously and consistently secure new customers and maintain relationships with the Healthcare Group's existing customers, and there is no assurance that the Group will be able to do so.

In addition, there is no assurance that the Healthcare Group's customers will continue to patronise the Group's dental clinics or seek treatment of a similar value from the Group in the future. In the event that the existing customers significantly reduce their patronage from the Group or the Group is unable to secure new customers or contracts of comparable size and profit margins, this will materially and adversely affect the Group's business operations, financial condition and results of operations.

The Target Company has also entered into a Consultancy Agreement with PWG (further details of which are set out in paragraph 2.2(b) of the Letter to Shareholders. In the event of termination of the Consultancy Agreement, non-renewal of the Consultancy Agreement by PWG after the initial term, or the loss of other important business relationship or contract of the Healthcare Group, this will materially and adversely affect the Group's business operations, financial condition and results of operations.



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## APPENDIX B – RISK FACTORS

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### ***The Healthcare Business is affected by challenges that affect the healthcare industry generally***

The Healthcare Business is impacted by the challenges currently facing the healthcare industry. The Group believes that the key ongoing industry-wide challenges are providing high-quality patient care in a competitive environment and managing costs.

In addition, the Healthcare Business may be affected by other factors that affect the entire industry in general, such as (but not limited to) the following:

- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, healthcare;
- general economic and business conditions at local, regional, national and international levels;
- demographic changes;
- an increase in the threat of terrorism or armed conflicts and the occurrence of natural and man-made disasters that could affect travel security or the global economy and could reduce the volume of medical travellers;
- improvements in the level of quality of healthcare services in neighbouring countries that may affect the stream of medical travellers coming to the Group's dental outlets;
- changes in the supply distribution chain or other factors that increase the cost of supplies;
- stricter regulations governing protection of sensitive or confidential patient information from unauthorised disclosure;
- stricter regulations governing the purchase of medications and pharmaceutical drugs, which are highly regulated;
- potential reputational and financial risk to the Group's operations caused by the independent actions of dentists; and
- rising operating costs, especially rental and labour costs.

In particular, patient volume and operating income of the Healthcare Business are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

- unemployment levels;
- the cultural and business environment in the home countries of medical travellers;
- the number of uninsured and underinsured patients in local communities;
- climate and weather conditions; and
- recruitment, retention and attrition of dentists.

Any failure by the Group to effectively manage these challenges could result in a material adverse effect on its business, financial condition, results of operations and prospects.

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## APPENDIX B – RISK FACTORS

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### ***The Group may be exposed to risks relating to handling of medical data***

National laws, rules and regulations generally require medical institutions to protect the privacy of their patients or clients and prohibit unauthorised disclosure of personal information. The Group may be subject to liability as a result of any theft, misuse or unauthorised disclosure of personal information stored on its systems.

Regulations in Singapore or the jurisdictions in which the Group may operate in the future may require licensees of a private clinic or healthcare establishment to keep and maintain proper medical records. In this regard, such licensees are generally required to take all reasonable steps, including implementing such processes as are necessary, to ensure that such medical records are accurate, complete and up-to-date and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification. Any contravention of these laws and regulations may render the person committing the offence liable on conviction to a fine or imprisonment. These laws, rules and regulations are subject to change. Compliance with new privacy and security laws, regulations and requirements may result in increased operating costs and may constrain or require the Group to alter its business model or operations which may in turn affect its business, financial condition, results of operations and prospects.

### **RISKS RELATING TO THE MEDICAL EQUIPMENT BUSINESS**

#### ***The Group may face intense competition from existing competitors and new market entrants in the Medical Equipment Business***

The Medical Equipment Business competes with both domestic and international companies with respect to factors such as quality and pricing. The Group may not be able to provide comparable equipment at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger economies of scale and established networks. Intensified competition may result in increased cost for materials, overheads which may adversely affect the Medical Equipment Business, operations, results of operations and financial position.

As a result, there can be no assurance that the Group will be able to compete successfully in the future against its potential competitors or that increased competition may not have an adverse effect on the Group's business, operations, results of operations and financial position.

#### ***The Medical Equipment Business will be dependent on the recruitment and retention of qualified employees for its operations***

The Group is dependent on the expertise and experience of the employees to be employed or parties that the Group would be collaborating with. The Medical Equipment Business would be dependent on the Group's ability to identify, retain and/or train qualified employees to grow a management team to oversee the Medical Equipment Business. There is no assurance that the Group will be able to identify such qualified employees and retain their continuous service. The operations of the Medical Equipment Business would be adversely impacted if such qualified employees are not employed or retained, thereby affecting the financial performance of the Group.

#### ***Clinical validation of the Group's products involves significant costs and risks***

The Group's in the Medical Equipment Business may include medical equipment of classes that may be required to obtain clinical validation.

Commercial acceptance of the Group's products and/or services by, among others, physicians, patients and the medical community is dependent on the successful demonstration of clinical utility of these products, which in turn depend on the success of clinical validations.

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## APPENDIX B – RISK FACTORS

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Clinical validation could be time-consuming and expensive. The length of time required to complete clinical validation for clinical diagnostics and laboratory tests varies substantially according to the degree of regulation and the type, complexity, novelty and intended use of a test, and can continue for an extended period of time, causing significant costs to be incurred over several years. The commencement and completion of clinical validation for the Group's products may be delayed by many factors, including:

- governmental or regulatory delays and changes in regulatory requirements, policies and guidelines that are evaluated for approval;
- limited number of, and competition for, suitable patients that meet the protocol's inclusion criteria and do not meet any of the exclusion criteria;
- delay or failure to reach an agreement on acceptable clinical validation terms or clinical validation protocols with prospective sites or investigators;
- delay or failure to obtain the institutional review board's approval or renewal to conduct a clinical validation at a prospective or accruing site, respectively;
- inability or unwillingness of patients or medical investigators to follow our clinical validation protocols or allocate sufficient resources to complete our clinical validations;
- lack of sensitivity and specificity during clinical validation; and
- varying interpretation of data by regulatory agencies.

Clinical validation may identify significant effectiveness or technical problems or other obstacles that will need to be overcome before the Group can demonstrate the clinical utility of its products and/or services. This may involve conducting new or additional validation studies at significant additional cost.

### ***The Group's products may not be successfully commercialised***

Even if the Group's products successfully demonstrate clinical utility and obtain clinical validation, they may not enjoy commercial acceptance or success. Commercial acceptance of the Group's products will depend on a number of factors, including:

- market acceptance or familiarity among patients, physicians, medical centres and third party purchasers;
- demonstrated clinical safety and efficacy compared to other products;
- the ability to develop a sales force capable of effectively marketing the Group's products;
- the extent to which reimbursement is available from government health administration authorities, private healthcare insurers and other healthcare funding organisations;
- timing of market introduction and perceived effectiveness of competitive products;
- the extent to which the Group's products are approved for inclusion on the diagnostics tests menus of hospitals and managed care organisations; and
- favourable publicity about the Group's products from, among others, key opinion leaders and the medical community.

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## APPENDIX B – RISK FACTORS

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If any of the Group's products do not achieve an adequate level of acceptance by physicians, patients and the medical community, the Group may not generate sufficient revenue from these products.

***The Group will be affected by availability and price fluctuations of raw materials in the production of medical equipment***

The Group may depend on specialised complex components and the assembly process of certain medical equipment may be subject to stringent specifications. If the Group and/or its third-party manufacturers cannot obtain necessary materials or components in a timely manner, it may not be able to assemble products of acceptable quality in sufficient quantities to meet its needs. The Group may also be unable to develop new products and applications and conduct clinical trials. This would compromise its ability to obtain necessary regulatory approvals, thereby impairing its ability to expand into new markets or develop new products.

Prices of raw materials in the production of the medical equipment may also fluctuate due to intervening factors such as global demand and supply conditions. Any shortages or interruptions in the supply of raw materials may result in an increase in raw material prices. If there are significant increases in the costs of major raw materials and the Group is unable to pass on such price increases to its customers or it is unable to find suitable alternative sources for such raw materials at competitive prices, the Group financial performance may be adversely affected.

***The Group will be subject to subcontracting risks***

The Group may rely on contract manufacturers on certain parts of the products with the relevant production expertise and are therefore dependent on them to a certain extent. These subcontractors will be selected based on, among other factors, their competitiveness in terms of the price and quality of their processes, delivery time and their credibility. There can be no assurance that the subcontractors can always fulfil their contractual obligations or that they will always meet the Group's requirements. In addition, certain of the Group's contract manufacturers may be required to possess certain permits, licences or certifications to assemble its products. Any failure by them to obtain or renew such permits, licences or certifications in a timely manner, or at all, could affect their ability to supply products to the Group and its business operations may be materially disrupted.

***The Group may not be able to adequately protect its intellectual property rights and other proprietary rights***

The Group may develop and/or acquire patents and/or proprietary technology. The Group's success will depend in part, on its ability to maintain and defend its patents, intellectual property rights and other proprietary rights. Any failure to enforce the Group's intellectual property rights or to defend any legal proceedings regarding its intellectual property rights may materially and adversely affect its business, financial condition and results of operations.

***The Group may be exposed to the risk of claims by third parties that we have infringed their intellectual property rights***

We may be subject, in the ordinary course of our business, to legal proceedings and claims from time to time relating to the intellectual property of others, which could have a material adverse effect on our business, financial condition and results of operations. We cannot be sure that the products, services, technologies and advertising we or our subcontractors employ in our business do not or will not infringe valid patents, trademarks, copyrights or other intellectual property rights held by third parties. In addition, our collaboration and joint venture partners may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardise or invalidate our intellectual property or proprietary information or expose us to potential litigation. They may also infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability.

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## APPENDIX B – RISK FACTORS

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### ***The Group may be unable to keep pace with advances in medical technology and its products could become non-competitive***

The Medical Equipment industry is characterised by rapid changes in technology and new product introductions which would require sourcing for and investing in new medical equipment and technology. The emergence of new technology industry standards or customer requirements may render the Group's products, processes and technologies to become non-competitive.

The Group may encounter unforeseen technological or scientific problems that will force abandonment or substantial change in the development of a specific product or process. Among the risks associated with the introduction of new products and/or services are the acceleration of the economic obsolescence of the existing, unimproved products and/or services and their components, delays in development or manufacturing, variations in cost, delays in customer purchases in anticipation of new introductions, difficulty in predicting customer demand for the new and existing product and/or service offerings and the risks that new products and/or services may have quality or other defects.

The introduction by other market participants of products and/or services harnessing new technologies and the emergence of new industry standards may render the Group's products and/or services obsolete and unmarketable. The Group's failure to introduce new products and/or services that keep pace with technological advancements, respond to evolving consumer requirements and achieve market acceptance could have a material adverse effect on its business, results of operations and financial condition.

### ***The Group may be exposed to potential product liability***

The Group may be exposed to risks inherent in the development, packaging, marketing, distribution and sale of medical equipment. These risks exist even if a product is approved for commercial sale by or, as the case may be, registered with the relevant regulatory authorities in a jurisdiction and manufactured in licensed facilities. The Group may be subject to product liability, personal injury or wrongful death claims or product recalls, whether as distributor or as proprietary principal, if the products it sells are deemed or proven to be unsafe, defective or contaminated, or if they are insufficiently or improperly labelled.

Any product liability claims brought against the Group or product recalls, regardless of whether the claims are with merit, could strain its financial resources and divert the time and attention of its management. In addition, losses from product liability claims or product recalls may not be fully covered by insurance and, to the extent that the Group suffers losses that are uninsured or uninsurable, its results of operations and financial condition may be materially and adversely affected.

## **RISKS RELATING TO THE MEDICAL AND WELLNESS BUSINESS**

### ***The Group may be required to obtain, maintain and renew certain licences and approvals to conduct its business and operations***

Due to the nature of the Medical and Wellness Business, the Group may require various licences and approvals from local government and other government agencies to conduct its business and operations.

These licenses and approvals may further include, among others, general corporate and regulatory ones. A failure to obtain or renew, or a loss of, any significant license or approval that is required to conduct the business and operations could have a material adverse effect on the Group's business, financial performance, financial condition, results of operations and prospects. Further, changes in legislation and regulations or changes in the interpretation or implementation of the relevant legislation and regulations could also result in consequences which would adversely affect the Group's business, financial performance, financial condition, results of operations and prospects.

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## APPENDIX B – RISK FACTORS

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### ***The Group may be subject to changing aesthetic medical and wellness trends***

The aesthetic medical and wellness trends are constantly evolving and this would require the Group to closely monitor the trends in the market and the needs of the consumers, which may require the introduction of new products, technologies, devices, solutions, service categories and treatment procedures and enhance existing services and procedures.

The Group may be required to incur development and acquisition costs to keep pace with new technologies. Failure to identify, develop and introduce new products, solutions, service categories, features, enhancements and technologies on a timely and cost-effective basis may result in a decrease in demand for the services and the Group may not be able to compete effectively or attract consumers, which may materially and adversely affect its business and results of operations.

### ***The Group may be subject to risks associate with the development of new market products***

The market condition and technologies deployed in the provision of aesthetic medical services are continuously evolving. Whether the Group can successfully compete in this market largely depends on its ability to anticipate industry trends and identify, develop and market new and advanced products that meet the customers' demand in a timely and cost effective manner.

Developing and launching new products require significant resources and can be costly, time consuming and difficult. The successful launch of a new product depends on a number of factors, including the Group's ability to:

- properly identify and anticipate industry trends and market demand;
- research and develop commercially viable products in a timely manner;
- effectively manage the time and costs involved in product registration and other regulatory clearances or approvals;
- compete effectively with other developers, manufacturers and marketers;
- price the products at both competitive and commercially justifiable levels;
- increase awareness and acceptance of our new products; and
- introduce new products to the market in a timely and effective manner.

### ***The Group may be affected by unfavourable market perception of the overall aesthetic medical and wellness industry***

Aesthetic medical and wellness services have been gaining popularity in recent years. However, consumers may remain cautious about the risks inherent in aesthetic medical procedures and wellness treatments.

Any shift in perception caused by media influences, peer perceptions, research indicating adverse health effects of aesthetic medical procedures and wellness treatments or otherwise, can potentially lead to deterioration in the market perception of aesthetic medical and wellness treatments.

In addition, any allegation which surfaces in the media relating to accidents, ineffectiveness of treatments, poor service standards or mishandling of sensitive personal information by any operator of aesthetic medical and wellness services, regardless of merits, could expose the Group to reputational harm. The Group's business, financial condition, results of operations and prospects may be materially and adversely affected as a result.

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## APPENDIX B – RISK FACTORS

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### ***The Group may be subject to legal claims arising from medical negligence***

The provision of aesthetic and wellness services entails inherent risks of potential liability arising from legal claims by patients and regulatory actions by the authorities. The Group may receive complaints from patients regarding the adequacy of patient care, treatment outcome and pricing disputes. Such medical malpractice litigation may be brought against the doctor, who may also seek to include the Group as a defendant. In addition, the Group's doctors may be subject to disciplinary actions from the respective governing professional bodies and they may be fined and/or have their licences suspended or revoked.

Further, even if the Group is not involved in such malpractice litigation, its reputation may be adversely affected by its association with the doctor involved in the malpractice litigation. If such malpractice litigation is not decided in its or the doctor's favour, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group is subject to risks of investigations, disciplinary actions or legal claims and there is no assurance that the Group will be free from such events. In the event that such claims or disciplinary actions are brought against the Group's doctors, staff or the Group, there may be an adverse and material effect on the Group's financial performance, professional standing and market reputation.

### ***The Group's insurance coverage may be inadequate to indemnify the Group against all possible liabilities***

It is envisaged that the Group would have to maintain general insurance policies covering both its assets and employees in line with general business practices in the healthcare industry, with policy specifications and insured limits which it believes are reasonable. The Group's insurance coverage may be inadequate to indemnify the Group against all possible liabilities. There is no assurance that such insurance can be obtained on commercially reasonable terms or at all, or that any such coverage will sufficiently cover any losses suffered by the Group. In addition, the Group's insurance policies will be renewed on an annual basis (if required) and there is no assurance that it will be able to renew all its policies or obtain new policies on similar terms. Liabilities may exceed the Group's available insurance coverage or arise from claims outside the scope of its insurance coverage. In the event that the amount of such claims exceeds the coverage of the general insurance policies which the Group has taken up, it may be liable for shortfalls in the amounts claimed and the Group's business, financial condition and operating results may be adversely affected.

### ***There is no assurance that the Group will be able to secure new customers and maintain relationships with its existing customers***

Due to the nature of the aesthetic and wellness industry, there is no certainty on the recurrence of income from the provision of aesthetic and wellness services. The Group will have to continuously and consistently secure new customers and maintain relationships with the Group's existing customers, and there is no assurance that the Group will be able to do so.

In addition, there is no assurance that such customers will continue to patronise the Group's clinics or seek treatment of a similar value from the Group in the future. In the event that the customers significantly reduce their patronage from the Group or the Group is unable to secure new customers or contracts of comparable size and profit margins, this will materially and adversely affect the Group's business operations, financial condition and results of operations.

### ***Future acquisitions, joint ventures or other arrangements may expose the Group to increased risks***

The Group is likely, as a matter of business strategy, to invest in or acquire other entities in the provision of aesthetic medical services, or enter into joint ventures or other investment structures in connection

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## APPENDIX B – RISK FACTORS

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with the provision of aesthetic medical services. Acquisitions that the Group make, along with potential joint ventures and other investments, may expose the Group to additional business and operating risks and uncertainties, including:

- direct and indirect costs in connection with the transaction;
- the inability to effectively integrate and manage acquired business;
- the inability or unwillingness of joint venture partners to fulfil their obligations under the relevant joint venture agreements;
- joint venture partners having economic or business interest or goals that are inconsistent with the Group;
- joint venture partners may take actions contrary to the Group's instructions or requests or contrary to the Group's policies and objectives;
- joint venture partners being unable or unwilling to fulfil their obligations under the relevant joint venture agreements or other cooperative agreements,
- including their obligation to make the required capital contribution, or having financial difficulties;
- the inability of the Group to exert control over strategic decisions made by these companies;
- time and resources expanded to coordinate internal systems, controls, procedures and policies;
- disruption in ongoing business and the diversion of management's time and attention from other business concerns;
- the risk of entering markets in which the Group may have no or limited prior experience;
- the potential loss of key employees and customers of the acquired businesses;
- the risk that an investment or acquisition may reduce the future earnings; and
- exposure to unknown liabilities.

The Group is unable to assure that its working relationship with its joint venture or other business partners will always be positive and that the Group will not have serious disputes with its joint venture or other business partners, which may cause the loss of business opportunities or disruption to and/or termination of the relevant project or business venture, which may in turn lead to the Group's business, results of operations and financial condition being materially adversely affected.



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### QT VASCULAR LTD.

(Company Registration No. 201305911K)  
(Incorporated in the Republic of Singapore)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("**EGM**" or "**Meeting**") of the shareholders of QT Vascular Ltd. ("**Company**") will be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on 8 January 2022 at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the Ordinary Resolutions as set out below.

*All capitalised terms used in this notice which are not defined herein shall have the meanings ascribed to them in the circular dated 24 December 2021 ("**Circular**") to shareholders of the Company ("**Shareholders**").*

This Notice of EGM along with its accompanying proxy form has been made available on SGXNET and the Company's corporate website which may be accessed at the URL: <https://qtvascular.com/>. **A printed copy of this Notice and the accompanying proxy form will NOT be despatched to Shareholders.**

**Please note that the Ordinary Resolutions are inter-conditional on each other. Accordingly, in the event that any of these resolutions is not approved, the other resolution will not be duly passed.**

### ORDINARY RESOLUTION 1: PROPOSED ACQUISITION OF 60% OF THE HEALTHCARE GROUP

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolutions 2, 3, 4 and 5:

- (a) approval be and is hereby given, for the Company to enter into the Proposed Acquisition of 60% of the Healthcare Group pursuant to the terms and conditions of the SPA;
- (b) pursuant to Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules, approval be and is hereby given to the Directors to allot and issue 277,777,778 Shares to the Vendor as part of the Purchase Consideration pursuant to the Proposed Acquisition, at the Issue Price of S\$0.0018 per Consideration Share, on and subject to the terms and conditions of the SPA;
- (c) the Directors or any of them be and are hereby authorised to from time to time amend, modify and/or supplement the terms of the Proposed Acquisition and/or the SPA as such Directors or any of them may deem appropriate; and
- (d) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the matters referred to in the paragraphs above.

### ORDINARY RESOLUTION 2: PROPOSED DIVERSIFICATION INTO THE NEW BUSINESSES

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolutions 1, 3, 4 and 5:

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (a) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include the New Businesses;
- (b) the Company be authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the New Businesses on such terms and conditions as the Directors deem fit, and such Directors be authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the matters referred to in the paragraphs above.

### **ORDINARY RESOLUTION 3: PROPOSED ALLOTMENT AND ISSUE OF 4,055,555,556 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO THE INVESTORS PURSUANT TO THE PROPOSED SUBSCRIPTION AT THE ISSUE PRICE OF S\$0.0018 PER SUBSCRIPTION SHARE**

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 4 and 5:

- (a) pursuant to Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules, approval be and is hereby given to the Directors to allot and issue 4,055,555,556 Shares to the Investors, at the Issue Price of S\$0.0018 per Subscription Share, on and subject to the terms and conditions of the Subscription Agreement;
- (b) pursuant to Rule 811(3) of the Catalist Rules, approval be and is hereby given to the Directors to allot and issue 4,055,555,556 Shares to the Investors, at the Issue Price of S\$0.0018 per Subscription Share, which is at a discount greater than 10% to the weighted average price for trades done on the SGX-ST on the full market day on which the Shares of the Company were traded prior to the Subscription Agreement;
- (c) the Directors or any of them be and are hereby authorised to from time to time amend, modify and/or supplement the terms of the Proposed Subscription and/or the Subscription Agreement as such Directors or any of them may deem appropriate; and
- (d) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the matters referred to in the paragraph above.

### **ORDINARY RESOLUTION 4: PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE INVESTORS**

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 3 and 5:

- (a) pursuant to Rule 803 of the Catalist Rules, approval be and is hereby given for the Proposed Transfer of Controlling Interest to the Investors upon the completion of the Proposed Subscription; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the matters referred to in the paragraph above.

### **ORDINARY RESOLUTION 5: PROPOSED DISTRIBUTION**

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 3 and 4:

- (a) approval be and is hereby given for the Company to make the Proposed Distribution to the Entitled Shareholders on a pro-rata basis to all Entitled Shareholders as at a record date prior to the completion of the Proposed Subscription to be determined by the Directors for the purposes of determining the entitlement of Entitled Shareholders to the Proposed Distribution, fractional entitlements (where applicable) to be disregarded. For the avoidance of doubt, such Entitled Shareholders excludes new shares to be issued pursuant to the Proposed Subscription and the Proposed Acquisition; and
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the matters referred to in the paragraph above.

### **By Order of the Board**

Lee Pih Peng  
Company Secretary

24 December 2021

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

1. The Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the Meeting in person. Members will be able to watch the proceedings of the Meeting through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 9.30 a.m. on 6 January 2022, at <https://complete-corp.com/qt-vascular-egm/>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the Meeting by 12.00 p.m. on 7 January 2022. Members who do not receive an email by 12.00 p.m. on 7 January 2022 should contact the Company's Polling Agent by email at [qt-vascular-egm@complete-corp.com](mailto:qt-vascular-egm@complete-corp.com).

Persons holding shares through relevant intermediaries who wish to participate in the Meeting via webcast should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the Meeting.

3. Members who pre-register to watch the "live" webcast or listen to the "live" audio feed may also submit questions relating to the resolutions to be tabled for approval at the Meeting. Please note that members will not be able to ask questions at the Meeting "live" during the webcast and the audio feed.

All questions must be submitted by 9.30 a.m. on 31 December 2021 by email to [ktong@trirememedical.com](mailto:ktong@trirememedical.com).

The Company will address substantial questions relevant to the resolutions to be tabled for approval at the Meeting as received from Shareholders before the Meeting. The Company will, within one month after the date of the Meeting, publish the minutes of the Meeting on SGXNet and the Company's website.

4. A member will not be able to attend the Meeting in person. Members (whether individuals or corporates) who wish to exercise their voting rights at the Meeting must appoint the chairman of the Meeting ("**Chairman of the Meeting**") as their proxy to attend, speak and vote on their behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
5. The Chairman of the Meeting, as proxy, need not be a member of the Company.
6. The instrument appointing the Chairman of the Meeting as proxy must:
  - (a) if sent personally or by post, be received at 18 Boon Lay Way, #10-140(D) TradeHub 21, Singapore 609966; and
  - (b) if submitted by email, be received by QT Vascular Ltd., by email at [ktong@trirememedical.com](mailto:ktong@trirememedical.com) or to the Company's share registrar, Tricor Barbinder Share Registration Services at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com),

in either case no later than 9.30 a.m. on 6 January 2022, and in default the instrument of proxy shall not be treated as valid. 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.

7. The Circular in relation to the Proposed Transactions has been made available on SGXNET and may be accessed at <https://qtvascular.com/>.
8. The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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9. Where an instrument appointing the Chairman of the Meeting as proxy 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 attached to the instrument of proxy, failing which the instrument may be treated as invalid.
10. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (such as in the case where the appointor submits more than one instrument of proxy).
11. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy 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 meeting, as certified by The Central Depository (Pte) Limited to the Company.

### **Important Reminders**

Due to the constantly evolving COVID-19 situation, the Company may be required to change its Meeting arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the Meeting. Further, in view of the current COVID-19 measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

### **Personal data privacy:**

By (i) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, (ii) completing the pre-registration in accordance with this Notice, or (iii) submitting any question prior to the Meeting in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (a) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof);
- (b) processing of the pre-registration for purposes of granting access to members to the "live" webcast or "live" audio feed of the Meeting proceedings and providing them with any technical assistance where necessary;
- (c) addressing substantial and relevant questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions;
- (d) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and
- (e) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

## PROXY FORM

### QT VASCULAR LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201305911K)

### PROXY FORM

#### Extraordinary General Meeting

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URLs

<https://www.sgx.com/securities/company-announcements> and

<https://qtvascular.com/>. A printed copy of this form of proxy will NOT be dispatched to members.

#### IMPORTANT

1. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the Meeting in person. Members will be able to watch the proceedings of the Meeting through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 9.30 a.m. on 6 January 2022, at <https://complete-corp.com/qt-vascular-egm/>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the Meeting by 12.00 p.m. on 7 January 2022. Members who do not receive an email by 12.00 p.m. on 7 January 2022 should contact the Company's Polling Agent by email at [qt-vascular-egm@complete-corp.com](mailto:qt-vascular-egm@complete-corp.com).
2. An investor who holds shares under the Supplementary Retirement Scheme may inform their respective SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least seven working days before the Meeting.
3. By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (and his appointed proxy(ies)) consents to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for such purposes and/or otherwise with the personal data privacy terms set out in the Notice of EGM dated 24 December 2021.

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

Of \_\_\_\_\_ (Address)

being a Shareholder/Shareholders\* of **QT VASCULAR LTD. ("Company")**, hereby appoint the Chairman of the extraordinary general meeting of the Company ("**Meeting**"), as my/our\* proxy to vote for me/us\* on my/our\* behalf at the Meeting to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on 8 January 2022 at 9.30 a.m. and at any adjournment thereof. I/We\* direct the Chairman of the Meeting to vote for or against, or abstain from voting on the Ordinary Resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/our\* proxy will be treated as invalid.

The resolutions put to the vote at the Meeting shall be decided by way of poll. If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of shares the Chairman of the Meeting, as your proxy, is directed to vote "For", "Against" or "Abstain".

No.	ORDINARY RESOLUTIONS	For	Against	Abstain
1.	To approve the Proposed Acquisition of 60% of the Healthcare Group			
2.	To approve the Proposed Diversification into the New Businesses			
3.	To approve the proposed allotment and issuance of 4,055,555,556 Shares in the capital of the Company to the Investors pursuant to the Proposed Subscription at the Issue Price of S\$0.0018 per Subscription Share			
4.	To approve the Proposed Transfer of Controlling Interest in the Company to the Investors			
5.	To approve the Proposed Distribution			

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

\_\_\_\_\_  
Signature(s) of Shareholder(s) Common Seal

\* Delete where inapplicable

Total number of Shares In:	No. of Shares
CDP Register	
Register of Members	

**IMPORTANT: PLEASE READ THE NOTES TO THIS PROXY FORM ON THE NEXT PAGE**

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## PROXY FORM

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### Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the Meeting in person. Members will be able to watch the proceedings of the Meeting through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 9.30 a.m. on 6 January 2022, at <https://complete-corp.com/qt-vascular-egm/>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the EGM by 12.00 p.m. on 7 January 2022. Members who do not receive an email by 12.00 p.m. on 7 January 2022 should contact the Company's Polling Agent by email at [qt-vascular-egm@complete-corp.com](mailto:qt-vascular-egm@complete-corp.com).
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must:
  - (a) if sent personally or by post, be received at 18 Boon Lay Way, #10-140(D) TradeHub 21, Singapore 609966; or
  - (b) if submitted by email, be received by QT Vascular Ltd., by email at [ktong@trirememedical.com](mailto:ktong@trirememedical.com) or to the Company's share registrar at [sg.is.proxy@tricorglobal.com](mailto:sg.is.proxy@tricorglobal.com). In either case no later than 9.30 a.m. on 6 January 2022, and in default the instrument of proxy shall not be treated as valid. 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.
5. The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
6. Where an instrument appointing the Chairman of the Meeting as proxy 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 attached to the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (such as in the case where the appointor submits more than one instrument of proxy).
8. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy 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 meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Similarly, a member of the Company who holds his/her shares through a Relevant Intermediary (including SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her SRS Operators) to submit his/her voting instructions at least seven (7) working days prior to the date of the Meeting.

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## PROXY FORM

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**"Relevant Intermediary"** means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) 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;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

### **Important Reminders**

Due to the constantly evolving COVID-19 situation, the Company may be required to change its Extraordinary General Meeting arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the Extraordinary General Meeting. Further, in view of the current COVID-19 measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.