

CIRCULAR DATED 15 APRIL 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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

This Circular has been prepared by the Company and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. This Circular has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness, or correctness of any of the statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Mr Lim Hoon Khat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



BIOLIDICS LIMITED

(Company Registration No.: 200913076M)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT MANDATE

Independent Financial Adviser



XANDAR CAPITAL PTE. LTD.

(Company Registration No.: 200002789M)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for registration for an account to participate in the EGM by way of “live” webcast and to submit comments, queries and/or questions	:	26 April 2021 at 6.00 p.m.
Last date and time for lodgement of Proxy Form	:	27 April 2021 at 4.00 p.m.
Date and time of EGM	:	30 April 2021 at 4.00 p.m. (or immediately after the conclusion of the AGM (as defined herein) scheduled at 3.00 p.m. on the same day)
Place of EGM	:	By way of “live” webcast, details of which are set out in this Circular and in the announcements that may be made by the Company from time to time on SGXNET

Please refer to Sections 4 and 8 of this Circular for more details.

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DEFINITIONS

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

“Act” or “Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“AGM”	:	The annual general meeting of the Company
“associate”	:	(i) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) 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 30.0% or more; and (ii) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
“Audit Committee”	:	The audit committee of the Company from time to time
“Biomedics Lab Acquisition”	:	Has the meaning ascribed to the term in Section 2.2 of this Circular
“Biomedics Laboratory”	:	Biomedics Laboratory Pte. Ltd.
“Board”	:	The board of Directors as at the date of this Circular or from time to time, as the case may be
“Catalist”	:	The Catalist Board of the SGX-ST
“Catalist Rules”	:	SGX-ST Listing Manual Section B: Rules of Catalist, as amended, varied or supplemented from time to time
“CBH”	:	Clearbridge Health Limited, a Controlling Shareholder as at the Latest Practicable Date
“CBH Group”	:	CBH, its subsidiaries and its associated companies

DEFINITIONS

“CBM”	:	Clearbridge Medical Group Pte. Ltd., a wholly-owned subsidiary of CBH
“CDP”	:	The Central Depository (Pte) Limited
“Chairman of the Meeting”	:	Has the meaning ascribed to the term in Section 8.3(b) of this Circular
“Circular”	:	This circular to Shareholders dated 15 April 2021
“Company”	:	Biolidics Limited
“Components”	:	Has the meaning ascribed to the term in Section 2.4.1(a) of this Circular
“Confirmation Email”	:	Has the meaning ascribed to the term in Section 8.4 of this Circular
“Controlling Shareholder”	:	A person who: (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting Shares. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (ii) in fact exercises control over the Company
“Director”	:	A director of the Company as at the date of this Circular or from time to time, as the case may be
“Distributed Products”	:	Has the meaning ascribed to the term in Section 1(a) of Appendix II to this Circular
“Distribution Services”	:	Has the meaning ascribed to the term in Section 1(a) of Appendix II to this Circular
“Distribution Services Agreement”	:	The distribution services agreement dated 27 March 2020 entered into by Biomedics Laboratory with CBM, pursuant to which CBM will act as a non-exclusive distributor of Biomedics Laboratory’s products and services
“EGM”	:	The extraordinary general meeting of the Company to be held at 4.00 p.m. on 30 April 2021 (or immediately after the conclusion of the AGM scheduled at 3.00 p.m. on the same day), notice of which is set out on pages N-1 to N-3 of this Circular
“FY”	:	Financial year ended or ending 31 December, as the case may be

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“Group”	:	The Company and its subsidiaries
“Hybrionic”	:	Hybrionic Pte. Ltd.
“Hybrionic IPTs”	:	Has the meaning ascribed to the term in Section 2.4.1 of this Circular
“IFA” or “Independent Financial Adviser”	:	Xandar Capital Pte. Ltd., being the independent financial adviser to the Non-Interested Directors in relation to the proposed renewal of, and amendments to, the IPT Mandate
“IFA Letter”	:	The letter dated 15 April 2021 from the IFA to the Non-Interested Directors in relation to the proposed renewal of, and amendments to, the IPT Mandate, a copy of which is enclosed as Appendix I to this Circular
“Independent Director”	:	An independent director of the Company
“Interested Person”	:	Has the meaning ascribed to the term in Section 2.2 of this Circular
“Interested Person Transactions” or “IPTs”	:	Has the meaning ascribed to the term in Section 2.2 of this Circular
“IPT Mandate”	:	The general mandate approved by Shareholders on 30 April 2020, pursuant to Chapter 9 of the Catalist Rules, to authorise the Company and its subsidiaries which are considered to be “entities at risk” within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of businesses, to enter into certain categories of transactions with specified Interested Persons, provided that such transactions are entered into on an arm’s length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The full text of the IPT Mandate (including the proposed amendments as blacklined) are set out in Appendix II to this Circular
“Latest Practicable Date”	:	1 April 2021, being the latest practicable date prior to the printing of this Circular
“Management and Support Services”	:	Has the meaning ascribed to the term in Section 1(c) of Appendix II to this Circular
“Mandated Interested Persons”	:	Has the meaning ascribed to the term in Section 2 of Appendix II to this Circular

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“Mandated Transactions”	:	Has the meaning ascribed to the term in Section 1 of Appendix II to this Circular
“Non-Interested Directors”	:	The Directors who are independent for the purposes of the proposed renewal of, and amendments to, the IPT Mandate, namely Leong Yow Seng, Ong Hsien Chih, James (Weng Xianzhi, James), Toh Shih Hua, Chia Beng Kwan and Kong Chee Keong
“Notice of EGM”	:	The notice of EGM accompanying this Circular
“NTA”	:	Net tangible assets
“Post-Manufacturing Services”	:	Has the meaning ascribed to the term in Section 2.4.1(b) of this Circular
“Products”	:	Has the meaning ascribed to the term in Section 2.4.1(a) of this Circular
“Proxy Form”	:	The proxy form accompanying this Circular
“Purchase of Products and Components”	:	Has the meaning ascribed to the term in Section 2.4.1(a) of this Circular
“Qualitative Factors”	:	Has the meaning ascribed to the term in Section 4.1(a) of Appendix II to this Circular
“Sale of Services”	:	Has the meaning ascribed to the term in Section 1(b) of Appendix II to this Circular
“Securities and Futures Act”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“Services”	:	Has the meaning ascribed to the term in Section 1(a) of Appendix II to this Circular
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholder” or “Shareholders”	:	The registered holders of the Shares (other than the CDP) and in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“subsidiaries”	:	Has the meaning ascribed to the term in Section 5 of the Companies Act and “subsidiary” shall be construed accordingly

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“Substantial Shareholder”	:	Has the meaning ascribed to the term in Section 81 of the Companies Act
“S\$”	:	Singapore dollar
“%”	:	Per centum or percentage

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

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

Any word defined under the Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations (including the Catalist Rules) are as at the Latest Practicable Date.

Any reference to a time of a day in the Circular is a reference to Singapore time unless otherwise stated.

LETTER TO SHAREHOLDERS

BIOLIDICS LIMITED

(Company Registration No.: 200913076M)
(Incorporated in the Republic of Singapore)

Board of Directors

Yee Pinh Jeremy (Non-Executive Non-Independent Chairman)
Chen Johnson (Non-Executive Non-Independent Director and Founder)
Leong Yow Seng (Lead Independent Director)
Ong Hsien Chih, James (Weng Xianzhi, James) (Independent Director)
Toh Shih Hua (Independent Director)
Chia Beng Kwan (Independent Director)
Kong Chee Keong (Independent Director)

Registered Office

37 Jalan Pemimpin
#02-07 Mapex
Singapore 577177

15 April 2021

Dear Sirs,

1. INTRODUCTION

1.1 EGM

The Directors are convening the EGM to seek Shareholders' approval for the proposed renewal of, and amendments to, the IPT Mandate by way of an ordinary resolution.

1.2 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to and explaining the rationale for, and benefits of, the proposed renewal of, and amendments to, the IPT Mandate which shall be tabled at the EGM, the notice of which is set out on pages N-1 to N-3 of this Circular.

The legal advisers appointed by the Company for the proposed renewal of, and amendments to, the IPT Mandate, is Bird & Bird ATMD LLP.

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

2. THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT MANDATE

2.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (each known as an entity at risk) enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that such interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

An immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

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In particular, an immediate announcement is required where:

- (a) the value of an interested person transaction is equal to, or more than, 3.0% of the listed group's latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, amounts to 3.0% or more of the listed group's latest audited NTA.

In addition to an immediate announcement, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) 5.0% of the listed group's latest audited NTA; or
- (b) 5.0% of the listed group's latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000 and certain transactions listed under Rules 915 and 916 of the Catalist Rules. However, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons where such transactions are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by shareholders is subject to annual renewal.

2.2 Background

Background of the IPT Mandate

As at the Latest Practicable Date, CBH is a Controlling Shareholder, having an interest (direct and indirect) in 86,016,200 Shares, representing approximately 32.57% of the total issued Shares (excluding treasury shares and subsidiary holdings). Pursuant to Rule 904(4) of the Catalist Rules, CBH and its associates are deemed as an interested person within the meaning of Chapter 9 of the Catalist Rules ("**Interested Person**"), and transactions between the Group and the CBH Group are deemed interested person transactions ("**Interested Person Transactions**") within the meaning of Chapter 9 of the Catalist Rules.

The CBH Group is an integrated healthcare group with a focus on the delivery of precision medicine with businesses comprising healthcare systems, medical clinics/centres and strategic investments in medical technology companies.

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Following the completion of the acquisition of Biomedics Laboratory by the Company on 26 May 2020 (“**Biomedics Lab Acquisition**”), transactions between Biomedics Laboratory and the CBH Group are considered Interested Person Transactions. These transactions include the sale of products and services by Biomedics Laboratory to the CBH Group as its customer.

Concurrently with the Biomedics Lab Acquisition, Biomedics Laboratory had also entered into the Distribution Services Agreement with CBM, pursuant to which CBM will act as a non-exclusive distributor of Biomedics Laboratory’s products and services including (a) precision oncology services in the areas of cancer screening, diagnosis, treatment selection, monitoring and prognosis, and other health management, pharmaceutical and wellness services, and (b) products such as equipment, test kits and other consumables, in Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Hong Kong, the People’s Republic of China and Australia for a period of three (3) years for the continuous provision of distribution services by the CBH Group to Biomedics Laboratory.

Accordingly, the Board proposed to adopt the IPT Mandate to facilitate future Interested Person Transactions between the Group and the CBH Group and the Shareholders had approved the IPT Mandate at an extraordinary general meeting of the Company held on 30 April 2020.

Further to the adoption of the IPT Mandate on 30 April 2020, the Company had also entered into a distribution agreement on 11 May 2020 with CBM to appoint CBM as a non-exclusive distributor for the Company’s test kits for the detection of the Novel Coronavirus 2019 antibodies. This distribution agreement falls within the scope of the IPT Mandate and was entered into in accordance with the guidelines and review procedures put in place by the Company for transactions under the IPT Mandate.

For FY2020, the value of the Interested Person Transactions under the IPT Mandate that was adopted on 30 April 2020 between the Group and the CBH Group amounted to approximately S\$5,415,000. From 1 January 2021 until the Latest Practicable Date, the value of such Interested Person Transactions amounted to approximately S\$52,000. For completeness, for FY2020, the value of Interested Person Transactions between the Group and the CBH Group that occurred prior to the adoption of the IPT Mandate on 30 April 2020 and accordingly did not fall within the scope of such IPT Mandate, amounted to approximately S\$95,000.

Background of the proposed amendments to the IPT Mandate

In addition to the above, from time to time, the Group enters into certain recurrent transactions with Hybrionic, principally for the Purchase of Products and Components and Post-Manufacturing Services.

Hybrionic is one of the Group’s main contract manufacturers for the Products and the Components. In particular, it has been the sole manufacturer of one of the Components that the Group requires for its CTChips® FR1 biochips. In addition to supplying the Products and the Components, Hybrionic also provides the Group with labelling, packaging, assembly, storage and logistics services for its products, including its COVID-19 test kits.

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As at the Latest Practicable Date, Mr Chen Chung Ni Johnny, the father of the Company's Non-Executive Non-Independent Director, Mr Chen Johnson, is a director of, and holds an equity interest of approximately 87.7% in, Hybrionic. Mr Chen Johnson is also a director of Hybrionic. Pursuant to Rule 904(4) of the Catalist Rules, Hybrionic is deemed as an Interested Person within the meaning of Chapter 9 of the Catalist Rules, and transactions between the Group and Hybrionic are deemed Interested Person Transactions.

The aggregate value of the transactions between the Group and Hybrionic in FY2020 (excluding transactions that are less than S\$100,000) amounted to approximately S\$183,000, representing approximately 2.54% of the Group's audited NTA of approximately S\$7,199,000 as at 31 December 2019. Such transactions related entirely to Post-Manufacturing Services provided by Hybrionic to the Group. Accordingly, Shareholders' approval for the transactions between the Group and Hybrionic was not required in accordance with Chapter 9 of the Catalist Rules. For completeness, in addition to the Post-Manufacturing Services, the Group also undertook the Purchase of Products and Components from Hybrionic. The aggregate value of such transactions between the Group and Hybrionic in FY2020 amounted to less than S\$100,000. The total value of transactions between the Group and Hybrionic in FY2020 (including all transactions relating to the Purchase of Products and Components which, when aggregated amounted to less than S\$100,000) amounted to approximately S\$269,000, representing approximately 3.74% of the Group's audited NTA as at 31 December 2019.

Notwithstanding this, based on the Group's latest audited NTA of approximately S\$3,869,000 as at 31 December 2020, the aggregate value of the transactions between the Group and Hybrionic in FY2020 (including transactions that are less than S\$100,000) amounted to approximately S\$269,000, representing approximately 6.95% of the Group's audited NTA as at 31 December 2020. For the period from 1 January 2021 to the Latest Practicable Date, the aggregate value of the transactions between the Group and Hybrionic amounted to approximately S\$12,000, representing approximately 0.31% of the Group's audited NTA as at 31 December 2020.

In view of the above, the Board proposes to amend the IPT Mandate to include for the transactions between the Group and Hybrionic so as to facilitate such future Interested Person Transactions.

2.3 The Proposed Renewal of, and Amendments to, the IPT Mandate

The Company had, at an extraordinary general meeting held on 30 April 2020, sought and obtained the approval of Shareholders for the adoption of the IPT Mandate to authorise the Company and its subsidiaries which are considered to be "entities at risk" within the meaning of Rule 904(2) of the Catalist Rules, to enter in the ordinary course of business into certain categories of transactions with certain entities of the CBH Group, provided that such transactions are entered into on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The full text of the IPT Mandate, including the proposed amendments as blacklined, can be found in Appendix II to this Circular.

Under Chapter 9 of the Catalist Rules, the IPT Mandate is subject to annual renewal. The IPT Mandate adopted on 30 April 2020 will continue to be in force until the date of the forthcoming AGM. The Company is seeking Shareholders' approval at the EGM for the proposed renewal of, and amendments to, the IPT Mandate.

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2.4 The Proposed Amendments to the IPT Mandate

In light of the annual value of transactions between the Group and Hybrionic for FY2020 and following a review by the Audit Committee, the Company is proposing certain amendments to the IPT Mandate as detailed below.

The IPT Mandate (including the proposed amendments as blacklined) is set out in Appendix II to this Circular.

2.4.1 Proposed amendments to the categories of Mandated Transactions

It is proposed that the existing categories of Mandated Transactions be amended to include the following categories:

- (a) the purchase of products required for the provision of our services and products that the Group may sell from time to time, including but not limited to equipment, test kits, reagents and other consumables ("**Products**") and components required for the production of such Products ("**Components**") by the Group from Hybrionic ("**Purchase of Products and Components**"); and
- (b) the provision of labelling, packaging, assembly, storage and logistics services for the Group's products by Hybrionic to the Group ("**Post-Manufacturing Services**"),

(collectively, the "**Hybrionic IPTs**").

2.4.2 Proposed amendments to the names of Interested Persons

It is proposed that names of Interested Persons for the purpose of the renewal of, and amendments to, the IPT Mandate be amended to include Hybrionic.

2.4.3 Proposed amendments to the rationale for, and benefits of, the IPT Mandate

It is proposed that the rationale for, and benefits of, the IPT Mandate be amended to include the rationale for, and benefits of, the Hybrionic IPTs.

2.4.4 Proposed amendments to the guidelines and review procedures

It is proposed that the guidelines and review procedures be amended to include the guidelines and review procedures for the Hybrionic IPTs.

2.5 Validity of the IPT Mandate

If approved by Shareholders at the EGM, the IPT Mandate (as amended), will take effect from the date of the passing of the ordinary resolution relating thereto at the EGM, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the date on which the next AGM is held or is required by law to be held, whichever is earlier. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent AGM (or extraordinary general meeting held on the same day as the AGM) subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Mandated Interested Persons.

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2.6 Disclosures

The Company shall announce the aggregate value of Interested Person Transactions conducted with Interested Persons pursuant to the IPT Mandate in accordance with Rule 920(1)(a)(ii) of the Catalist Rules for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report.

Disclosure shall also be made in the annual report of the Company of the aggregate value of the Interested Person Transactions conducted with the Interested Persons pursuant to the IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT Mandate is in force in accordance with Rule 920(1)(a)(i) of the Catalist Rules.

The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions shall be presented in the following format in accordance with Rule 907 of the Catalist Rules:

Name of Interested Person	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all Interested Person Transactions conducted under the IPT Mandate (excluding transactions less than S\$100,000)
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2.7 Advice of the Independent Financial Adviser to the Non-Interested Directors

Xandar Capital Pte. Ltd. has been appointed as the Independent Financial Adviser to the Non-Interested Directors to, *inter alia*, opine on whether the guidelines and review procedures as set out in Appendix II to this Circular are sufficient to ensure that the Mandated Transactions covered under the IPT Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Having regard to the matters set out in their IFA Letter, the Independent Financial Adviser is of the opinion that the guidelines and review procedures for determining the terms of the Mandated Transactions as set out in Appendix II to this Circular, if adhered to, are sufficient to ensure that the Mandated Transactions with the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter in relation to the proposed renewal of, and amendments to the IPT Mandate is reproduced in Appendix I to this Circular. Shareholders are advised to read the IFA Letter in relation to the proposed renewal of, and amendments to, the IPT Mandate carefully.

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2.8 Audit Committee Statement

The Audit Committee, comprising Toh Shih Hua, Leong Yow Seng and Ong Hsien Chih, James (Weng Xianzhi, James), having considered, *inter alia*, the rationale for, benefits of and the guidelines and review procedures for the Mandated Transactions with the Mandated Interested Persons and the reviews to be made periodically by the Audit Committee in relation thereto, are of the view that the guidelines and review procedures set out in Appendix II to this Circular for determining transaction terms in respect of the Mandated Transactions with the Mandated Interested Persons are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

On 31 March 2021, the Company announced the appointment of Chia Beng Kwan and Kong Chee Keong as Independent Directors with effect from 1 April 2021. Additionally, Ong Hsien Chih, James (Weng, Xianzhi, James) and Toh Shih Hua will retire as Independent Directors upon the conclusion of the forthcoming AGM scheduled to be held at 3.00 p.m. on 30 April 2021, immediately prior to the EGM. Consequently, Toh Shih Hua will cease to be the chairman of the Audit Committee and Ong Hsien Chih, James (Weng, Xianzhi, James) will cease to be a member of the Audit Committee. As at the Latest Practicable Date, the Board and the nominating committee of the Company are in the process of reviewing its composition and the memberships and chairman appointments of the various Board committees. Notwithstanding this, for completeness, Chia Beng Kwan and Kong Chee Keong have considered, *inter alia*, the rationale for, benefits of and the guidelines and review procedures for the Mandated Transactions with the Mandated Interested Persons and the reviews to be made periodically by the Audit Committee in relation thereto, and are of the view that the guidelines and review procedures set out in Appendix II to this Circular for determining transaction terms in respect of the Mandated Transactions with the Mandated Interested Persons are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The interests of the Directors and the Substantial Shareholders as at the Latest Practicable Date, based on information as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

	Number of Shares			
	Direct		Deemed	
Directors	Interest	% ⁽¹⁾	Interest	% ⁽¹⁾
Yee Pinh Jeremy	1,130,000	0.43	—	—
Chen Johnson	2,748,300	1.04	—	—
Leong Yow Seng	—	—	—	—
Ong Hsien Chih, James (Weng Xianzhi, James)	52,200	0.02	—	—
Toh Shih Hua	—	—	—	—
Chia Beng Kwan	—	—	—	—
Kong Chee Keong	—	—	—	—

LETTER TO SHAREHOLDERS

	Number of Shares			
	Direct		Deemed	
Substantial Shareholders (other than Directors)	Interest	% ⁽¹⁾	Interest	% ⁽¹⁾
Clearbridge BSA Pte. Ltd. ⁽²⁾	60,135,400	22.77	25,880,800	9.80
CBH ⁽³⁾	–	–	86,016,200	32.57
SEEDS Capital Pte. Ltd.	25,880,800	9.80	–	–
Enterprise Singapore Holdings Pte. Ltd. ⁽⁴⁾	–	–	25,880,800	9.80
Enterprise Singapore ⁽⁴⁾	–	–	25,880,800	9.80
Trauwin Pte. Limited	19,044,600	7.21	–	–
Qian Fuqing ⁽⁵⁾	–	–	19,044,600	7.21
Qian Xiaojin ⁽⁵⁾	–	–	19,044,600	7.21

Notes:

- (1) The percentages are based on the total issued and paid-up share capital of the Company comprising 264,047,000 Shares as at the Latest Practicable Date. The Company has no treasury shares.
- (2) Pursuant to a call option granted to Clearbridge BSA Pte. Ltd. (“**CBSA**”) by SEEDS Capital Pte. Ltd. (“**SEEDS Capital**”), CBSA has the right to acquire all of the Shares held by SEEDS Capital. The call option will expire on 28 May 2021. For the purposes of Section 4 of the Securities and Futures Act, CBSA is deemed to have an interest in the Shares held by SEEDS Capital.
- (3) CBSA is wholly-owned by CBH. For the purposes of Section 4 of the Securities and Futures Act, CBH is deemed to have an interest in the Shares held by CBSA.
- (4) SEEDS Capital is wholly-owned by Enterprise Singapore Holdings Pte. Ltd. (“**ESH**”), which is in turn wholly-owned by Enterprise Singapore, a statutory board under the Ministry of Trade and Industry Singapore. For the purposes of Section 4 of the Securities and Futures Act, each of ESH and Enterprise Singapore is treated as having an interest in the Shares held by SEEDS Capital.
- (5) Qian Fuqing and Qian Xiaojin hold 50.0% and 30.0%, respectively, of the issued and paid-up share capital of Trauwin Pte. Limited (“**Trauwin**”). For the purposes of Section 4 of the Securities and Futures Act, each of Qian Fuqing and Qian Xiaojin is treated as having an interest in the Shares held by Trauwin.

The Non-Executive Directors, Yee Pinh Jeremy and Chen Johnson, are directors of CBH, and Chen Johnson is also a director of Hybrionic. Save as disclosed, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the IPT Mandate (other than through their respective shareholdings in the Company).

4. EXTRAORDINARY GENERAL MEETING

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, the EGM will be held by way of electronic means at 4.00 p.m. on 30 April 2021 (or immediately after the conclusion of the AGM scheduled at 3.00 p.m. on the same day) for the purpose of considering and if thought fit, passing, with or without any modification, the ordinary resolution relating to the proposed renewal of, and amendments to, the IPT Mandate as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

5. NON-INTERESTED DIRECTORS' RECOMMENDATIONS

The Non-Interested Directors having considered, *inter alia*, the rationale for and benefits of the proposed renewal of, and amendments to, the IPT Mandate, and the opinion of the Independent Financial Adviser as set out in the IFA Letter, are of the opinion that it is in the interests of the Company that the Group be permitted to have the flexibility to enter into the Mandated Transactions described in Appendix II to this Circular in its ordinary course of business with the Mandated Interested Persons for reasons stated in this Circular. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of, and amendments to, the IPT Mandate.

6. ABSTENTION FROM VOTING

The Non-Executive Directors, Yee Pinh Jeremy and Chen Johnson, are also directors of CBH, and Chen Johnson is also a director of Hybrionic. Accordingly, Yee Pinh Jeremy and Chen Johnson will abstain from voting on the ordinary resolution approving the proposed renewal of, and amendments to, the IPT Mandate at the EGM. They will also abstain from deliberating and making any recommendation in respect of the resolutions in connection with the proposed renewal of, and amendments to, of the IPT Mandate. The Company will disregard any votes cast by Yee Pinh Jeremy and Chen Johnson on the ordinary resolution approving the proposed renewal of, and amendments to, the IPT Mandate.

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, CBH will, and has undertaken to ensure that its associates will, abstain from voting on the ordinary resolution approving the proposed renewal of, and amendments to, the IPT Mandate at the EGM.

Yee Pinh Jeremy, Chen Johnson and CBH will not, and have undertaken to ensure that their associates will not, be accepting any appointments as proxies unless specific instructions as to voting are given at the EGM. The Company will disregard any votes cast by CBH and its associates on the ordinary resolution approving the proposed renewal of, and amendments to, the IPT Mandate at the EGM.

All Shareholders who are required to abstain from voting pursuant to a court order must abstain, and the Company will (provided that if the abstention is pursuant to a court order, such court order is served on the Company before the EGM) procure such Shareholder to abstain, from voting in respect of the ordinary resolution at the EGM. Such Shareholder will also not accept nominations to act as proxy in respect of the ordinary resolution unless the Shareholder concerned has provided specific instructions as to voting. The Company will disregard any votes cast on the ordinary resolution by such Shareholder (who is required to abstain from voting pursuant to a court order where such court order is served on the Company before the EGM).

7. CONSENT

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its IFA Letter dated 15 April 2021 as set out in Appendix I to this Circular and all references thereto, in the form and context in which they appear in this Circular.

LETTER TO SHAREHOLDERS

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Notice of EGM, Circular and Proxy Form

Printed copies of the Notice of EGM, this Circular and the Proxy Form will not be sent to Shareholders. Instead, the Notice of EGM, this Circular and the Proxy Form may be accessed at the Company's website at the URL <http://www.biolidics.com> and on the SGX-ST's website at the URL <http://www.sgx.com/securities/company-announcements>.

8.2 Attendance at the EGM

Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore, the EGM will be held by way of electronic means and Shareholders will not be able to attend the EGM in person. Shareholders will be able to watch the proceedings of the EGM through a "live" webcast or listen to these proceedings through a "live" audio feed. In order to do so, a Shareholder who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 6.00 p.m. on 26 April 2021, *via* the URL <http://bit.ly/BiolidicsAGM2021>. Following authentication of his/her/its status as Shareholders, authenticated Shareholders 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 29 April 2021.

8.3 Participation at the EGM

Alternative arrangements have been made by the Company to allow Shareholders to participate at the EGM *via* electronic means. Such alternative arrangements include:

- (a) arrangements by which Shareholders may electronically access the EGM proceedings and observe and/or listen to the "live" audio-visual webcast or "live" audio-only stream;
- (b) arrangements by which Shareholders may submit comments, queries and/or questions to the chairman of the EGM (the "**Chairman of the Meeting**") in advance of the EGM;
- (c) arrangements by which the Board and the management may address substantial and relevant comments, queries and/or questions before the EGM; and
- (d) arrangements by which Shareholders may appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.

Details of the steps for pre-registration for the "live" audio-visual webcast or "live" audio-only stream, submission of comments, queries and/or questions in advance of the EGM and submission of Proxy Forms to appoint the Chairman of the Meeting to attend, speak and vote at the EGM are set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

8.4 Key Dates and Times

Key dates and times	Action to be taken by Shareholders
26 April 2021, 6.00 p.m.	Deadline for Shareholders to: (a) pre-register for the “live” audio-visual webcast or “live” audio-only stream; and (b) submit comments, queries and/or questions in advance of the EGM.
27 April 2021, 4.00 p.m.	Deadline for Shareholders to submit Proxy Forms to appoint the Chairman of the Meeting as proxy to attend, speak and vote at the EGM.
29 April 2021, 12.00 p.m.	Shareholders, who have pre-registered for the “live” audio-visual webcast or “live” audio-only stream and who have been verified by the Company will receive an email which will contain the user ID and password details as well as the URL to access the “live” audio-visual webcast or the toll-free telephone number to access the “live” audio-only stream (the “Confirmation Email”). Shareholders who have pre-registered for the “live” audio-visual webcast or “live” audio-only stream but who have not received the Confirmation Email by 12.00 p.m. on 29 April 2021, should contact the Company’s appointed pre-registration agent, Boardroom Corporate & Advisory Services Pte Ltd, by telephone at 6536 5355 during Monday to Friday, from 9.00 a.m. to 5.00 p.m. (excluding public holidays), or by email to AGM.TeamE@boardroomlimited.com.
30 April 2021, 4.00 p.m.	Shareholders may participate at the EGM <i>via</i> electronic means by: (a) accessing the URL in the Confirmation Email and entering the user ID and password to access the “live” audio-visual webcast; or (b) calling the toll-free telephone number to access the “live” audio-only stream.

8.5 Important Reminder

Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the EGM at short notice. For the latest updates on the arrangements for the EGM, Shareholders should check the Company’s website at the URL <http://www.biolidics.com> and on the SGX-ST’s website at the URL <http://www.sgx.com/securities/company-announcements>.

LETTER TO SHAREHOLDERS

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

10. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution;
- (b) the annual report of the Company for FY2020;
- (c) the IFA Letter; and
- (d) the consent letter from the IFA.

Yours faithfully,

For and on behalf of the Board of Directors of
BIOLIDICS LIMITED

Leong Yow Seng
Lead Independent Director
15 April 2021

APPENDIX I – IFA LETTER



15 April 2021

BIOLIDICS LIMITED

37 Jalan Pemimpin
#02-07 Mapex
Singapore 577177

Attention: The Non-Interested Directors

Dear Sirs / Madam

LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE NON-INTERESTED DIRECTORS OF BIOLIDICS LIMITED IN RESPECT OF THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE GENERAL MANDATE FOR RECURRENT INTERESTED PERSON TRANSACTIONS UNDER CHAPTER 9 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST (THE "CATALIST RULES") OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 15 April 2021 (the "Circular").

1. INTRODUCTION

At the extraordinary general meeting of Biolidics Limited (the "**Company**") held on 30 April 2020, the Company has obtained its shareholders' approval for the adoption of a general mandate to enter into certain recurrent interested person transactions with certain interested persons (the "**IPT Mandate**") under Chapter 9 of the Catalist Rules.

For the forthcoming extraordinary general meeting of the Company ("**EGM**") to be held immediately after the conclusion of the Company's annual general meeting ("**AGM**") on 30 April 2021, the Company is proposing to renew the IPT Mandate with the following amendments:

- (i) include Hybrionic Pte Ltd ("**Hybrionic**") as one of the named interested persons (together with the existing named interested person, the "**Mandated Interested Persons**");
- (ii) include two new categories of recurrent interested person transactions to the existing categories of recurrent interested person transactions (together with the existing categories of recurrent interested person transactions, the "**Mandated Transactions**");
- (iii) include the rationale for, and benefits of, having Hybrionic as a Mandated Interested Person and the two new categories of Mandated Transactions; and

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APPENDIX I – IFA LETTER



- (iv) to amend the guidelines and review procedures to include the guidelines and review procedures for the two new categories of Mandated Transactions.

As at 1 April 2021, being the latest practicable date for the Circular (the “**Latest Practicable Date**”), Mr Chen Chung Ni Johnny, the father of the Company’s Non-Executive Non-Independent Director, Mr Chen Johnson, is a director of, and holds an equity interest of approximately 87.7% in, Hybrionic. Mr Chen Johnson is also a director of Hybrionic. Pursuant to Rule 904(4) of the Catalist Rules, Hybrionic is deemed as an interested person, and transactions between the Group and Hybrionic are deemed interested person transactions within the meaning of Chapter 9 of the Catalist Rules.

Pursuant to Chapter 9 of the Catalist Rules, the Company has appointed Xandar Capital Pte. Ltd. (“**Xandar Capital**”) as the independent financial adviser (the “**IFA**”) to the directors of the Company (the “**Directors**”) who are considered independent for the purposes of the proposed renewal of, and amendments to, the IPT Mandate (namely Leong Yow Seng, Ong Hsien Chih, James (Weng Xianzhi, James), Toh Shih Hua, Chia Beng Kwan and Kong Chee Keong, collectively, the “**Non-Interested Directors**”), in respect of the proposed renewal of, and amendments to, the IPT Mandate. The full text of the IPT Mandate (including the proposed amendments as blacklined) is set out in Appendix II to the Circular.

This letter (this “**IFA Letter**”) sets out our evaluation of the IPT Mandate (including the proposed amendments as blacklined) as set out in Appendix II to the Circular, in particular whether the guidelines and review procedures adopted and to be adopted by the Company for determining the transaction prices of the Mandated Transactions, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. This IFA Letter forms part of the Circular to seek the approval of the Company’s shareholders for the proposed renewal of, and amendments to, the IPT Mandate.

2. TERMS OF REFERENCE

Xandar Capital has been appointed to advise the Non-Interested Directors as to whether the guidelines and review procedures set out in the IPT Mandate (including the proposed amendments as blacklined) as set out in Appendix II to the Circular, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

We are not and were not involved in any aspect of the negotiations pertaining to the proposed renewal of, and amendments to, the IPT Mandate, nor were we involved in the deliberations leading up to the decisions on the part of the Directors to agree on the guidelines and review procedures as set out in the IPT Mandate. Our evaluation is limited to the guidelines and review procedures as set out in the IPT Mandate, and has not taken into account the legal risks, commercial risks or merits, financial risks or merits of the IPT Mandate.

Our terms of reference do not require us to express, evaluate or comment on the rationale for, strategic or commercial merits and/or risks of the proposed renewal of, and amendments to, the IPT Mandate, or the future performance or prospects of the Group. We are, therefore,

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not expressing any opinion herein as to the future financial or other performance of the Company or the Group, whether with or without the proposed renewal of, and amendments to, the IPT Mandate.

As with other business transactions of the Company, the merit and/or associated risk, whether commercial, financial or otherwise, of the proposed renewal of, and amendments to, the IPT Mandate, are solely the responsibility of the Directors. Likewise, we are not expressing herein as to the prices at which the shares of the Company may trade upon the renewal of, and amendments to, the IPT Mandate. We are also not addressing the relative merits of the proposed renewal of, and amendments to, the IPT Mandate. Such evaluations or comments remain the responsibility of the Directors and the management of the Company.

In the course of our evaluation and for the purpose of providing our opinion in relation to the proposed renewal of, and amendments to, the IPT Mandate, we have held discussions with certain Directors and the management of the Group and have examined information provided by the Directors and the management of the Group and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate in assessing such information and are not aware of any reason to doubt the accuracy or reliability of the information.

We have relied upon the assurance of the Directors that the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the proposed renewal of, and amendments to, the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the 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. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Group and the proposed renewal of, and amendments to, the IPT Mandate, are to the best of their knowledge and belief, fair and accurate in all material aspects.

Our opinions are based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us contained in the Circular as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinions contained therein. Shareholders should take note of any announcements relevant to their consideration of the proposed renewal of, and amendments to, the IPT Mandate, which may be released by the Company after the Latest Practicable Date.

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In arriving at our opinions, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any shareholder or any specific group of shareholders. We recommend that any individual shareholder or group of shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors immediately.

Our opinions are for the use and benefit of the Non-Interested Directors in their deliberation of the proposed renewal of, and amendments to, the IPT Mandate, and the recommendations made by the Non-Interested Directors shall remain the responsibility of the Non-Interested Directors.

The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinions, in relation to the proposed renewal of, and amendments to, the IPT Mandate, should be considered in the context of the entirety of this IFA Letter and the Circular.

We recommend that the Directors advise shareholders to read these pages carefully.

3. THE IPT MANDATE

Information on the IPT Mandate is set out in Appendix II to the Circular.

3.1 MANDATED TRANSACTIONS

Information on the Mandated Transactions under the IPT Mandate is set out in Section 1 of Appendix II to the Circular.

We note that the five (5) categories of Mandated Transactions are as follows:

- (a) provision of distribution services by the Mandated Interested Persons for distribution of the Group's medical and healthcare products and services to customers in Singapore and overseas ("**Distribution Services**");
- (b) sale of the Group's medical and healthcare products and services by the Group to the Mandated Interested Persons on an *ad hoc* basis which does not fall into the ambit of Distribution Services ("**Sale of Services**");
- (c) provision of management and support services including provision of corporate management, administration and support services, secondment of employees and rental of laboratory facilities and/or office premises by the Mandated Interested Persons to the Group ("**Management and Support Services**");

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- (d) purchase of products and components from the Mandated Interested Persons by the Group ("**Purchase of Products and Components**"); and
- (e) provision of labelling, packaging, assembly, storage and logistics services by the Mandated Interested Persons to the Group ("**Post-Manufacturing Services**").

3.2 NAMES OF MANDATED INTERESTED PERSONS

The names of the Mandated Interested Persons are set out in Section 2 of Appendix II to the Circular.

We note that the IPT Mandate is proposed to be renewed and amended to facilitate transactions between the Group and five (5) Mandated Interested Persons, namely Clearbridge Health Limited, Clearbridge Assays Pte. Ltd., Clearbridge Medical Group Pte. Ltd., Shanghai Kai Zhun Health Management Co. Ltd and Hybrionic.

We note that the Mandated Interested Persons are all corporate entities.

3.3 RATIONALE FOR, AND BENEFITS OF, THE IPT MANDATE

Information on the rationale for, and benefits of, the IPT Mandate is set out in Section 3 of Appendix II to the Circular.

We note that the IPT Mandate is intended to facilitate transactions of a revenue nature as well as transactions necessary for the day-to-day operations of the Group, provided that they are transacted on normal commercial terms and will not be on terms or conditions that would be prejudicial to the interests of the Company and/or its minority shareholders.

In particular, we understand that the revenue generated by the Group from Clearbridge Medical Group Pte. Ltd. amounted to approximately S\$5.26 million in the financial year ended 31 December 2020 ("**FY2020**"), representing approximately 59.11% of the Group's revenue for FY2020. Accordingly, the Group will benefit from having the Mandated Interested Persons continuing to act as the Group's distributor for the Group's products and services.

The inclusion of Hybrionic as Mandated Interested Person and the inclusion of the two new categories of Mandated Transactions will allow the Group to continue to benefit from consistent and reliable supply of products and components from Hybrionic, in particular, when Hybrionic has been the sole manufacturer of one of the components required by the Group for its CTChip® FR1 biochips since 2013.

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3.4 GUIDELINES AND REVIEW PROCEDURES FOR THE MANDATED TRANSACTIONS

Detailed on the guidelines and review procedures are set out in Section 4 of Appendix II to the Circular.

We note that the methods and procedures include, *inter alia*, the following:

- (a) In relation to the Distribution Services (the Group's own products and services), Sale of Services, Purchase of Products and Components and Post-Manufacturing Services, the Mandated Transaction shall be carried out after comparison with at least two (2) comparable unrelated third parties transactions.

In respect of Distribution Services (the Group's own products and services), the Group can take into account qualitative factors such as quantity, duration, credit standing and payment records ("**Qualitative Factors**").

In respect of Sale of Services, the Group can take into account factors such as the customers' credit standing, volume, delivery requirements, length of business relationship and potential for future repeat business.

In respect of Purchase of Products and Components and Post-Manufacturing Services, the Group can take into account qualitative and quantitative factors such as, but not limited to, credit terms, delivery costs, delivery schedules, specification compliance, duration of contract, availability of preferential rates, discounts or rebates for longer contractual periods, track record, experience and expertise, whether it is commercially viable and beneficial to the Group.

- (b) In relation to the Distribution Services (third party products and services distributed by the Group), the prices of such third party products and/or services are to be determined based on the prevailing market reference price that is publicly available, if any, and is calculated by reference to any fair pricing basis to be determined and agreed by the management of the Company. Where no prevailing market reference price is publicly available, the Mandated Transactions are to be carried out with reference to at least two (2) recent agreements or successful transactions with unrelated third parties in respect of the same or substantially similar nature, taking into account the Qualitative Factors.
- (c) Where it is not possible to compare against the terms of the Mandated Transaction with comparable transactions with unrelated third parties:
 - (i) the price and terms offered to the Mandated Interested Persons shall be approved by the management, in accordance with the Group's usual business practices and policies. In determining the prices and terms offered to the Mandated Interested Persons, for such products or transactions, factors such as, but not limited to, quantity, requirements, specifications, complexity, industry norms will be taken into account. The Group shall also take into account the Qualitative Factors as well as other factors such as the Group's cost of sales to ensure that the Group will always achieve a positive gross margin from such sale; and

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- (ii) the price and terms offered by the Mandated Interested Persons will be compared to against the prices and terms of other quotations the Mandated Interested Persons had previously provided to unrelated third parties for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and unrelated third parties. The Group shall ensure that the prices and terms offered by the Mandated Interested Persons are no less favourable than those offered by the Mandated Interested Persons to unrelated third parties for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and unrelated third parties. The review procedures in such cases may include, where applicable, reviewing the standard price lists provided by the Mandated Interested Person to its customers for such products and be based on the commercial merits of the transaction.
- (d) Where it is impracticable or not possible to compare against the prices and terms of other quotations the Mandated Interested Persons had previously provided to unrelated third parties for the same or substantially the same types of transactions (for example, in the case of the Components which are custom-made in accordance with the Group's specification and requires proprietary inputs of the Group), the Mandated Transaction will be referred to the Audit Committee. The Group will also calculate to ensure that the Group's usual profit margin in respect of the sale of its products and services will not be materially eroded with the Purchase of Products and Components.
- (e) All distributorship agreements with the Mandated Interested Persons, including the Distribution Services Agreement, shall allow the Group to revise the prices of its Products and/or Services by giving 30 days' notice (or such shorter period as may be set out in the relevant agreement) to the distributor(s).
- (f) In relation to the provision of corporate management, administration and support services as well as secondment of employees under the Management and Support Services, the Mandated Transactions shall be carried out on a cost-plus basis. The total fees payable to the Mandated Interested Persons shall not be higher than the total costs or employment expenses to be incurred by the Group if the Group engages unrelated third parties to provide such services or employs new staff for the seconded role.
- (g) In relation to the rental of laboratory facilities and/or office premises under the Management and Support Services, the Group will only enter into new leases or renew existing leases with the Mandated Interested Persons if the Group is satisfied that the rent payable is in line with prevailing market rental rates for comparable spaces, taking into account relevant factors including but not limited to tenure and size. The rent payable (and the deposit needed) shall not be higher than the highest rent (or deposit) quoted by unrelated third parties for such lease.
- (h) Prior approval of the Audit Committee will be required for when the value of each Mandated Transaction is equal to or exceeds 3.0% of the Group's latest audited NTA.

APPENDIX I – IFA LETTER



- (i) Other monitoring and review procedures, including a register for all interested person transactions, review of interested person transactions by the Audit Committee at least once every six months, annual review of interested person transactions by the internal auditors, and review of the internal audit reports by the Audit Committee.

3.5 ROLE OF THE AUDIT COMMITTEE IN RELATION TO THE IPT MANDATE

We note that the Audit Committee will:

- (a) review and approve each Mandated Transaction with value equal to or above 3.0% of the Group's latest audited NTA;
- (b) approve the Purchase of Components and Products (in particular, for the purchase of components which are custom-made in accordance with the Group's specification and requires proprietary inputs of the Group) in the event that it is impracticable or not possible to obtain unrelated third parties transactions for comparison;
- (c) review the interested person transactions of the Group at least once every six months;
- (d) review the internal audit reports submitted by the internal auditors; and
- (e) during these reviews, determine if the methods and procedures established under the IPT Mandate continues to be adequate and/or commercially practicable in ensuring that the Mandated Transactions are not prejudicial to the interests of the Company and its minority shareholders. If the Audit Committee is of the view that the established methods and procedures have become inadequate or inappropriate to ensure that the Mandated Transactions will be entered into based on terms not prejudicial to the interests of the Company and its minority shareholders, the Audit Committee will, in consultation with the Board of Directors, take such action as it deems proper in respect of such methods and procedures, and/or modify or implement such methods and procedures as may be necessary, and direct the Company to seek a fresh general mandate from the shareholders based on new methods and procedures for transactions with the Mandated Interested Persons.

3.6 VALIDITY PERIOD OF THE IPT MANDATE

If approved at the forthcoming EGM, the IPT Mandate will take effect from the date of the passing of the ordinary resolution to be proposed at the EGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the subsequent AGM.

The Company intends to seek the approval of independent shareholders for the renewal of the IPT Mandate annually. The renewal of the IPT Mandate shall be subject to the satisfactory review by the Audit Committee of the continued need for the IPT Mandate and the adequacy of the methods and procedures for the Mandated Transactions.

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4. OUR OPINION

Having regard to our terms of reference, in arriving at our opinions, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the proposed renewal of, and amendments to, the IPT Mandate. We have carefully considered as many factors as we deem essential before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

In arriving at our opinion in respect of the proposed renewal of, and amendments to, the IPT Mandate, we have considered, *inter alia*, the methods and procedures set up by the Company, the role of the Audit Committee in enforcing the IPT Mandate, and the rationale for, and benefits of, the IPT Mandate.

Having regard to the matters set out in paragraph 3 of this IFA Letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the guidelines and review procedures for determining the terms of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions with the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

This IFA Letter is addressed to the Non-Interested Directors for their benefit, in connection with and for the purpose of their consideration of the proposed renewal of, and amendments to, the IPT Mandate, and the recommendation made by them to the shareholders shall remain the responsibility of the Non-Interested Directors. Neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the proposed renewal of, and amendments to, the IPT Mandate, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

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

Yours truly
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

APPENDIX II – THE IPT MANDATE (AS AMENDED)

The amendments proposed to be made to the IPT Mandate which was approved by Shareholders on 30 April 2020 are set out below in blackline:

GENERAL MANDATE FOR RECURRENT INTERESTED PERSON TRANSACTIONS

1 Categories of the mandated Interested Person Transactions (the “Mandated Transactions”)

The ~~Proposed~~ IPT Mandate will apply to the following categories of transactions with the Mandated Interested Persons (as defined in Section 2 below):

- (a) provision of distribution services by the Mandated Interested Persons for distribution of medical and healthcare products and services to customers in Singapore and overseas (“**Distribution Services**”). ~~Such services~~The products distributed comprise mainly equipment, test kits, reagents and other consumables (“Distributed Products”). The services distributed relate primarily to (a) precision oncology services in the areas of cancer screening, diagnosis, treatment selection, monitoring and prognosis, and (b) other health management, pharmaceutical and wellness services (“Services”).~~The products distributed comprise mainly equipment, test kits, reagents and other consumables relating to such services (“Products”).~~ Distribution Services include the distribution of the Distributed Products and Services under the Distribution Services Agreement;
- (b) the sale of Distributed Products and Services by the Group to Mandated Interested Persons on an ad hoc basis which does not arise from the provision of Distribution Services by the Mandated Interested Persons (“**Sale of Services**”); ~~and~~
- (c) the provision of management and support services by the Mandated Interested Persons to the Group. Such management and support services relate mainly to corporate management, administration and support services, rental of laboratory facilities and/or office premises, as well as secondment of employees from the Mandated Interested Person to the Group. Corporate management, administration and support services comprise the receipt of management consultancy services as well as general support in the areas of human resources and corporate administration. The Group can also utilise part of the laboratory facilities and/or office premises of the Mandated Interested Persons and tap on the expertise and knowledge of staff seconded from the Mandated Interested Persons (collectively, the “**Management and Support Services**”);
- (d) the purchase of products required for the provision of our services and products that the Group may sell from time to time, including but not limited to equipment, test kits, reagents and other consumables (“Products”) and components required for the production of such Products (“Components”) by the Group from the Mandated Interested Persons (“Purchase of Products and Components”); and
- (e) the provision of labelling, packaging, assembly, storage and logistics services for the Group’s products by the Mandated Interested Persons to the Group (“Post-Manufacturing Services”).

Taking into consideration the nature of the above-mentioned transactions and Rule 905(5) of the Catalist Rules, the ~~Proposed~~ IPT Mandate will cover all Mandated Transactions even if they fall below S\$100,000.

APPENDIX II – THE IPT MANDATE (AS AMENDED)

All transactions that do not fall within the ambit of the ~~Proposed~~ IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

2 Names of Interested Persons

The Interested Persons to be covered under the ~~Proposed~~ IPT Mandate are CBH, Clearbridge Assays Pte. Ltd., CBM, and Shanghai Kai Zhun Health Management Co. Ltd., ~~all of which are companies within CBH Group and Hybrionic Pte Ltd (collectively, the “Mandated Interested Persons”)~~.

Each of Clearbridge Assays Pte. Ltd., CBM and Shanghai Kai Zhun Health Management Co. Ltd are wholly-owned subsidiaries of CBH.

Mr Chen Chung Ni Johnny, the father of our Non-Executive Non-Independent Director, Mr Chen Johnson, is a director of, and holds an equity interest of approximately 87.7% in, Hybrionic Pte Ltd. Mr Chen Johnson is also a director of Hybrionic Pte Ltd.

Please refer to ~~paragraph 3.1~~Section 2.2 of this Circular for details on the CBH Group.

3 Rationale for, and benefits of the adoption of, the Proposed IPT Mandate

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the adoption renewal of the ~~Proposed~~ IPT Mandate to enable the Group to enter in the ordinary course of business into any of the Mandated Transactions with the specified Mandated Interested Persons, provided that such Mandated Transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such Mandated Transactions.

The ~~Proposed~~ proposed renewal of, and the amendments to, the IPT Mandate, if approved by Shareholders at the EGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for each separate Mandated Transaction to be entered into between the Group and the Mandated Interested Persons of a revenue nature or those necessary for its business or operations. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

The ~~Proposed~~ IPT Mandate will allow the Group to continue to benefit from the CBH Group acting as its distributor for its laboratory testing services ~~upon Completion~~, and to continue selling its products and services to the CBH Group both as its customer as well as to leverage on the CBH Group's sales network.

In respect of the Management and Support Services, the Group will benefit from the CBH Group's facilities and human resources expertise. By having access to such Management and Support Services, the Group will derive operational efficacy and savings.

APPENDIX II – THE IPT MANDATE (AS AMENDED)

In respect of the Purchase of Products and Components, the IPT Mandate will allow the Group to continue to benefit from consistent and reliable supply of the Products and Components from Hybrionic Pte Ltd. Hybrionic Pte Ltd has been the Group's sole manufacturer of one of the Components we require for our CTChip® FR1 biochips since 2013. The Components supplied to us have always met the specifications we require to ensure the performance of our CTChip® FR1 biochips. This is especially important for the Group because (i) it facilitates the continuity of the sale of our CTChip® FR1 biochips; (ii) there is a limited availability of ISO-compliant manufacturers of the Products and Components, which are complex in nature; and (iii) there is a limited pool of ISO-compliant manufacturers who are willing to accept our orders for the quantity we require as and when we order. Products and Components meeting our standards (in terms of delivery timeline and product specifications, amongst others) may not always be available on acceptable terms, if at all.

In connection with the Post-Manufacturing Services, the IPT Mandate will allow the Group to continue to engage the services of Hybrionic Pte Ltd from time to time and in the ordinary course of business, as and when we require. In addition to the abovementioned benefits, the Group will also benefit from having access to commercially competitive quotes in an expedient manner from Hybrionic Pte Ltd as compared to obtaining quotes for similar goods and services from, or transacting with, unrelated third parties.

Finally, the Group will benefit from the familiarity that Hybrionic Pte Ltd possesses in relation to the specifications and requirements that the Group requires for such goods and services, built on its mutual course of dealing over the years.

The ~~Proposed~~ IPT Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Mandated Interested Persons, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This allows the Group to leverage on the resources of its Mandated Interested Persons and reduce overlapping costs to achieve greater growth.

4 Guidelines and review procedures for the Mandated Transactions

To ensure that the Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place guidelines and review procedures for the Mandated Transactions under the ~~Proposed~~ IPT Mandate as set out below in this section.

All Mandated Transactions shall be conducted in accordance with the Group's usual business practices and policies, consistent with the usual margins, rates or prices received or paid by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms are not more favourable to the Mandated Interested Person compared to those extended to or received from unrelated third parties after taking into account the requirements, specifications, complexity, industry norms, volume and resources required.

APPENDIX II – THE IPT MANDATE (AS AMENDED)

4.1 Guidelines and review procedures

Prior to entering into any of the Mandated Transactions with the Mandated Interested Persons, the Group shall follow the review procedures as set out below:

- (a) when selling the Group's own Distributed Products and/or Services to the Mandated Interested Person under all distributorship agreements (whether pursuant to the Distribution Services Agreement or otherwise), the prices of such Distributed Products and/or Services are to be determined with reference to at least two (2) recent agreements or successful transactions with unrelated third parties in respect of the same or substantially similar nature, taking into account factors such as, but not limited to, the potential selling quantity arising from the agreement, the duration of contract, as well as the credit standing and payment records of the Mandated Interested Persons (**"Qualitative Factors"**)~~In the event where it is impossible or impracticable to obtain comparable pricing, the sales department shall evaluate and determine the prices of such Products and/or Services taking into account the Qualitative Factors. The Group will also calculate its cost of providing such Products and/or Services to ensure that the Group will always achieve a positive gross margin from such sale;~~
- (b) when selling third party Distributed Products and/or Services distributed by the Group to the Mandated Interested Persons under all distributorship agreements (whether pursuant to the Distribution Services Agreement or otherwise), the prices of such Distributed Products and/or Services are to be determined based on the prevailing market reference price that is publicly available, if any, and is calculated by reference to any fair pricing basis to be determined and agreed by the management of the Company. Where no prevailing market reference price is publicly available, any distributorship agreements with Mandated Interested Persons, including the Distribution Services Agreement, are to be carried out with reference to at least two (2) recent agreements or successful transactions with unrelated third parties in respect of the same or substantially similar nature, taking into account the Qualitative Factors~~In the event where it is impossible or impracticable to obtain comparable transactions, the sales department shall evaluate and determine the prices of such Products and/or Services taking into account the Qualitative Factors as well as other factors such as the Group's cost of sales to ensure that the Group will always achieve a positive gross margin from such sale;~~
- (c) all distributorship agreements with Interested Persons, including the Distribution Services Agreement, shall allow the Group to revise the prices of its Distributed Products and Services by giving 30 days' notice (or such shorter period as may be set out in the relevant agreement) to the distributor(s). In the event that the Group enters into new distributorship agreements with unrelated third parties which provide for higher prices of such Distributed Products and/or Services or in the event that the Group's suppliers increase any cost of any Distributed Products and/or Services, the Group shall effect the notice immediately to ensure that (a) the Group will always achieve a positive gross margin from such a sale; and (b) the prices offered by the Group to the Mandated Interested Persons for any Distributed Product and/or Service under any distribution agreement are no more favourable than the prices offered by the Group to unrelated third parties in respect of the same or substantially similar nature of Distributed Products and/or Services, taking into account the Qualitative Factors;

APPENDIX II – THE IPT MANDATE (AS AMENDED)

- (d) in relation to the Sale of Services, prices of Distributed Products and Services charged by the Group to the Mandated Interested Persons are to be determined with reference to at least two (2) recent agreements or successful transactions with unrelated third parties in respect of the same or substantially similar nature. The Group shall ensure that the prices offered by the Group to the Mandated Interested Persons for the Sale of Services are no more favourable than the prices offered to unrelated third party customers for the sale of the same or substantially similar nature of Distributed Products and/or Services, taking into consideration factors such as the customers' credit standing, transaction volume on an annual basis, delivery requirements, length of business relationship and potential for future repeat business;
- (e) in relation to the provision of corporate management, administration and support services by the Mandated Interested Persons to the Group, the fees payable shall be the actual cost incurred by the Mandated Interested Persons in performing the scope of services, including but not limited to salaries, bonuses, allowances, central provident fund contribution, government levies and other benefits paid or payable to the employees of the Mandated Interested Persons, plus a pre-determined mark-up. When determining the mark-up, the Group will take into account factors such as the cost to be incurred by the Group to obtain such corporate management, administration and support services from unrelated third party professional firms. The total fees payable to the Mandated Interested Persons shall not be higher than the total costs to be incurred by the Group if the Group engages unrelated third parties to provide such services;
- (f) in relation to the rental of laboratory facilities and/or office premises from the Mandated Interested Persons, the Group will only enter into new leases or renew existing leases with the Mandated Interested Persons if the Group is satisfied that the rent payable is in line with prevailing market rental rates for comparable spaces, taking into account factors such as tenure of the lease, area of leased premises, rentals of similar properties in the same vicinity (if available) and any other relevant factors that may affect rental rates or terms of the lease. The rent payable (and the deposit needed) shall not be higher than the highest rent (or deposit) quoted by unrelated third parties for such lease; and
- (g) in relation to the secondment of employees from the Mandated Interested Persons, the fees payable to the Mandated Interested Persons shall be based on the actual cost incurred by the Mandated Interested Person in providing such service plus a pre-determined mark-up. When determining the mark-up, the Group will take into account the relevant taxation rules relating to secondment of employees. The total fees payable to the Mandated Interested Persons shall not be higher than the total employment expenses to be incurred by the Group if the Group employs new employees for the seconded role;
- ~~(h) where it is not possible to compare against the terms of other transactions with unrelated third parties, the Mandated Transaction will be approved by the management, in accordance with the Group's usual business practices and policies. In determining the transaction price payable to the Interested Person for such products or transactions, factors such as, but not limited to, quantity, requirements, specifications, complexity, industry norms will be taken into account.~~

APPENDIX II – THE IPT MANDATE (AS AMENDED)

- (h) in relation to the Purchase of Products and Components and Post-Manufacturing Services, prices and terms of the Purchase of Products and Components and Post-Manufacturing Services charged by the Mandated Interested Persons to the Group are to be compared with reference to at least two (2) quotations from unrelated third parties vendors or suppliers in respect of the same or substantially the same types of transactions. The Group shall ensure that the prices offered by the Mandated Interested Persons to the Group for the Purchase of Products and Components and Post-Manufacturing Services are fair and reasonable, comparable and no less favourable than those extended by the unrelated third party vendors or suppliers to the Group, from whom quotations were sought, for the purchase of the same or substantially similar type of services or products.

In determining whether the prices and terms offered by the Mandated Interested Persons are fair and reasonable, qualitative and quantitative factors such as, but not limited to, credit terms, delivery costs, delivery schedules, specification compliance, duration of contract, availability of preferential rates, discounts or rebates for longer contractual periods, track record, experience and expertise will also be taken into account in deciding whether or not to accept a particular quotation, as it is not commercially viable, and therefore not beneficial to the Group, to transact solely on the basis of quantitative factors (such as price) alone;

- (i) where it is impracticable or not possible to compare against the terms of the Mandated Transactions with comparable transactions with unrelated third parties:

(a) the price and terms offered to the Mandated Interested Persons shall be approved by the management, in accordance with the Group's usual business practices and policies. In determining the prices and terms offered to the Mandated Interested Persons, for such products or transactions, factors such as, but not limited to, quantity, requirements, specifications, complexity, industry norms will be taken into account. The Group shall also take into account the Qualitative Factors as well as other factors such as the Group's cost of sales to ensure that the Group will always achieve a positive gross margin from such sale; and

(b) the price and terms offered by the Mandated Interested Persons will be compared against the prices and terms of other quotations the Mandated Interested Persons had previously provided to unrelated third parties for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and unrelated third parties. The Group shall ensure that the prices and terms offered by the Mandated Interested Persons are no less favourable than those offered by the Mandated Interested Persons to unrelated third parties for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and unrelated third parties. The review procedures in such cases may include, where applicable, reviewing the standard price lists provided by the Mandated Interested Person to its customers for such products and be based on the commercial merits of the transaction; and

- (j) where it is impracticable or not possible to compare against the prices and terms of other quotations the Mandated Interested Persons had previously provided to unrelated third parties for the same or substantially the same types of transactions (for example, in the case of the Components which are custom-made in accordance with the Group's specification and requires proprietary inputs of the Group), the Mandated Transaction will be referred to our Audit Committee, and our Audit Committee will determine whether

APPENDIX II – THE IPT MANDATE (AS AMENDED)

the relevant price and terms are fair and reasonable and consistent with the Company's usual business practices and policies. In determining whether the price and terms are fair and reasonable, the Audit Committee will have regard to the costs and benefits of entering into the Mandated Transaction, as well as factors including, but not limited to, specification compliance, volume ordered, duration of contract, staggered delivery schedules, credit terms, delivery costs, capacity of the manufacturer for the Products and Components, availability of preferential rates, discounts or rebates for longer contractual periods, track record, experience and expertise, and efficiencies and flexibilities derived by the Group in transacting with the relevant Interested Person, compared with transacting with unrelated third party vendors or suppliers. The Group will also calculate to ensure that the Group's usual profit margin in respect of the sale of its products and services will not be materially eroded with the Purchase of Products and Components.

4.2 Approval threshold limits

All agreements which have terms equal to or exceeding 12 months shall be reviewed and approved by the Audit Committee prior to entry.

The Group will monitor and categorise all other Mandated Transactions as follows:

- (a) a "Category 1" Interested Person Transaction is one where the value thereof is equal to or more than 3.0% of the latest audited NTA of the Group; and
- (b) a "Category 2" Interested Person Transaction is one where the value thereof is below 3.0% of the latest audited NTA of the Group.

"Category 1" Interested Person Transactions must be reviewed and approved by the Audit Committee prior to entry. "Category 2" Interested Person Transactions need not be approved by the Audit Committee prior to entry but must be approved by the Financial Controller, Chief Executive Officer or such other person(s) designated by the Audit Committee from time to time, who shall not be interested in any of the Interested Person Transactions. Such Interested Person Transactions are also reviewed by the Audit Committee at least once every six (6) months.

The approval thresholds set out above have been adopted by the Group after taking into account, *inter alia*, the nature, volume, frequency and size of the Interested Person Transactions, as well as the Group's day-to-day operations, administration and business. The threshold limits are arrived at with the view to strike a balance between (i) maximising the operation efficiency of the day-to-day operations of the Group, and (ii) maintaining adequate internal controls and governance in relation to the Interested Person Transactions.

APPENDIX II – THE IPT MANDATE (AS AMENDED)

4.3 Additional guidelines and review procedures

In addition to the guidelines and review procedures set out in Sections 3.54.1 and 3.54.2 above, the Company will also implement the following additional guidelines and procedures to ensure that ~~the~~all Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms:

(i) Register of Interested Person Transactions

The Company will maintain a register to record all pertinent information in relation to the Interested Person Transactions (including the Mandated Transactions as well as all Interested Person Transactions below S\$100,000 in value), such as but not limited to, the identity of the Interested Persons involved in the Interested Person Transactions, the value of the Interested Person Transactions, the nature and scope of the Interested Person Transactions, the basis and rationale for entering into the Interested Person Transactions, including the quotations and other evidence obtained to support such basis with written approvals. The register of Interested Person Transactions shall be prepared, maintained and monitored by senior personnel such as the Financial Controller (who shall not be interested in any of the Interested Person Transactions) and who are duly delegated to do so by the Audit Committee.

In addition, the Company will maintain a list of Interested Persons and their associates which shall be reviewed by the Financial Controller at least once every six (6) months and subject to such verifications or declarations as required by the Audit Committee from time to time or for such periods as determined by them.

(ii) Review by Audit Committee

Members of the Audit Committee will review all approved Interested Person Transactions (including Interested Person Transactions below S\$100,000 in value) at least once every six (6) months to ensure that the procedures for review, approvals as well as monitoring and administration are adequate, sufficient and adhered to, in ensuring that Interested Person Transactions are undertaken on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee will also review, from time to time, the established guidelines and review procedures of the Interested Person Transactions and determine if such guidelines and review procedures continue to be adequate and/or commercially practicable in ensuring that the Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate and/or insufficient to meet such objectives, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures. During the period prior to obtaining such fresh mandate from Shareholders, all Interested Person Transactions will be subject to prior review and approval by the Audit Committee, subject to the requirements under Chapter 9 of the Catalist Rules.

APPENDIX II – THE IPT MANDATE (AS AMENDED)

(iii) Review by internal auditors

The Group will incorporate an annual review of Interested Person Transactions in its internal audit plan. The internal auditors will review the Interested Person Transactions to check that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the Interested Person Transactions have been adhered to. The internal auditors will forward their review reports to the Audit Committee.

(iv) Interested members of the Audit Committee to abstain

In the event that any member of the Audit Committee is interested (directly or indirectly) in any transaction, he will abstain from participating in the review and approval process in relation to that particular transaction to ensure that the transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

NOTICE OF EXTRAORDINARY GENERAL MEETING

BIOLIDICS LIMITED

(Company Registration No.: 200913076M)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Company (“**EGM**”) will be held by way of electronic means at 4.00 p.m. on 30 April 2021 (or immediately after the conclusion of the annual general meeting of the Company scheduled at 3.00 p.m. on the same day), for the purpose of considering and, if thought fit, passing (with or without any modifications) the following resolution set out below.

All capitalised terms used in this Notice of EGM which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 15 April 2021 (the “**Circular**”).

ORDINARY RESOLUTION: THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT MANDATE

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company and/or its subsidiaries, to enter into any of the transactions falling within the categories of the Mandated Transactions described in the Circular with the Mandated Interested Persons, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for the Mandated Transactions as set out in the Circular;
- (b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next AGM is held or is required by law to be held, whichever is earlier;
- (c) the Audit Committee be and is hereby authorised to take such actions as it deems proper in respect of the review procedures for the Mandated Transactions and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors be and are hereby authorised to take such steps, approve all matters and enter into all such transactions, arrangements and agreements and execute all such documents and notices as may be necessary or expedient for the purposes of giving effect to the proposed renewal of, and amendment to, the IPT Mandate as such Directors or any of them may deem fit or expedient or to give effect to this ordinary resolution.

By Order of the Board

Lim Sim Ving
Company Secretary
Singapore

15 April 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM 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. Printed copies of this Notice of EGM will not be sent to members. Instead, this Notice of EGM may be accessed at the Company's website at the URL <http://www.biolidics.com> and on the SGX-ST's website at the URL <http://www.sgx.com/securities/companyannouncements>.
2. Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe-distancing measures in Singapore, the EGM will be held by way of electronic means and members will not be able to attend the EGM in person. A member or an SRS Investor will be able to watch the proceedings of the EGM through a "live" webcast or listen to these proceedings through a "live" audio feed. In order to do so, a member or SRS Investor who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 6.00 p.m. on 26 April 2021, via the URL <http://bit.ly/BiolidicsAGM2021>. Following authentication of his/her/its status as members or SRS Investor, authenticated members and SRS Investors will receive email instructions ("**Confirmation Email**") on how to access the webcast and audio feed of the proceedings of the EGM by 12.00 p.m. on 29 April 2021. Members who have pre-registered for the "live" audio-visual webcast or "live" audio-only stream but who have not received the Confirmation Email by 12.00 p.m. on 29 April 2021, should contact the Company's appointed pre-registration agent, Boardroom Corporate & Advisory Services Pte Ltd, by telephone at 6536 5355 during Monday to Friday, from 9.00 a.m. to 5.00 p.m. (excluding public holidays), or by email to AGM.TeamE@boardroomlimited.com.
3. A member who pre-registers to watch the "live" webcast or listen to the "live" audio feed may also submit questions related to the resolutions to be tabled for approval at the EGM. To do so, all questions must be submitted by 6.00 p.m. on 26 April 2021 by email at ShareholderQueries@biolidics.com. Members will not be able to ask questions during the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings. Therefore, it is important for members to pre-register and submit their questions in advance of the EGM. The Company will address all substantial and relevant questions (as may be determined by the Company in its sole discretion) received from the Shareholders relating to the proposed renewal of, and amendments to, the IPT Mandate prior to the EGM via the SGX-ST's website at the URL <http://www.sgx.com/securities/companyannouncements> and the Company's website at the URL <http://www.biolidics.com>.
4. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The accompanying proxy form for the EGM may be accessed at the Company's website at the URL <http://www.biolidics.com> and on the SGX-ST's website at the URL <http://www.sgx.com/securities/companyannouncements>.
5. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
6. The proxy form is not valid for use by investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (including SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS Investors who wish to appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM, should approach their respective SRS Operators to submit their votes at least seven (7) working days before the date of the EGM. Investors, other than SRS Investors, who wish to participate in the EGM by (a) observing or listening to the EGM proceedings via "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the EGM. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Tricor Barbinder Share Registration Services, via email to sg.is.proxy@sg.tricorglobal.com no later than 6.00 p.m. on Monday, 26 April 2021.
7. The Chairman of the Meeting, as proxy, need not be a member of the Company.
8. The proxy form, if submitted by post, must be deposited at the registered office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, located at 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time fixed for holding the EGM.
9. The proxy form, if submitted electronically, must be submitted via email to ProxyFormSubmission@biolidics.com, not less than 72 hours before the time fixed for holding the EGM. In view of the current COVID-19 situation, members are strongly encouraged to submit completed and signed proxy forms electronically via email.
10. Where the proxy form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, and/or by registering to attend the “live” webcast of the EGM as detailed in Sections 4 and 8 of the Circular, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

BIOLIDICS LIMITED

(Company Registration No.: 200913076M)
(Incorporated in the Republic of Singapore)

**EXTRAORDINARY GENERAL MEETING
PROXY FORM****Important:**

1. For investors who have used their Supplementary Retirement Scheme monies to buy shares in the Company ("**SRS Investors**"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to appointment as their proxies.

I/We, _____ (Name),

_____ (NRIC No./Passport No./Company Registration No.)

of _____ (Address),
being a member/members of Biolidics Limited (the "**Company**"), hereby appoint the chairman of the extraordinary general meeting of the Company ("**EGM**"), as *my/our proxy to attend and to vote for *me/us on *my/our behalf at the EGM to be held by way of electronic means at 4.00 p.m. on Thursday, 30 April 2021 (or immediately after the conclusion of the annual general meeting of the Company scheduled at 3.00 p.m. on the same day) and at any adjournment thereof.

*I/We direct *my/our proxy to vote for or against, or abstain from voting on the ordinary resolution to be proposed at the EGM as indicated hereunder. If no specified directions as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the EGM.

	ORDINARY RESOLUTION	No. of Shares For**	No. of Shares Against**	No. of Shares Abstained**
1.	To approve the proposed renewal of, and amendments to, the IPT Mandate			

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick "X" in the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you mark "X" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this _____ day of _____ 2021

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

Signature of Member(s) or Common Seal

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF.



IMPORTANT:

1. The EGM will be held and convened by way of 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. Printed copies of the Notice of EGM dated 15 April 2021 ("**Notice of EGM**") and this Proxy Form will not be sent to members. Instead, the Notice of EGM and this Proxy Form may be accessed at the Company's website at the URL <http://www.biolidics.com> and on the SGX-ST's website at the URL <http://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the EGM by way of electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointment of the Chairman of the EGM as a proxy at the EGM, are set out in the Notice of EGM.
3. Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe-distancing measures in Singapore, the EGM will be held by way of electronic means and members will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the shares held by you.
2. Shareholders will be able to watch the proceedings of the EGM through a "live" webcast or listen to these proceedings through a "live" audio feed. In order to do so, a Shareholder who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 6.00 p.m. on 26 April 2021, via the URL <http://bit.ly/BiolidicsAGM2021>. Following authentication of his/her/its status as shareholders, authenticated shareholders will receive email instructions on how to access the webcast and audio feed of the proceedings of the EGM by 12.00 p.m. 29 April 2021.

Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

3. SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the date of the EGM.
4. The Chairman of the EGM, as proxy, need not be a member of the Company.
5. This Proxy Form, if submitted by post, must be deposited at the registered office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, located at 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time fixed for holding the EGM.
6. This Proxy Form, if submitted electronically, must be submitted via email to ProxyFormSubmission@biolidics.com, not less than 72 hours before the time fixed for holding the EGM. In view of the current COVID-19 situation, members are strongly encouraged to submit completed and signed proxy forms electronically via email.
7. Where this Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where this Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
8. Where this Proxy Form is executed under the hand of an attorney duly authorised, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act.

GENERAL:

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

PERSONAL DATA PRIVACY:

By submitting a Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.