

CIRCULAR DATED 6 NOVEMBER 2023

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

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

If you have sold or transferred all your shares ("**Shares**") in the capital of Biolidics Limited (the "**Company**"), you should immediately forward this Circular with the Notice of EGM and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or 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 ("**Sponsor**"), for compliance with Rules 226(2)(b) and 753(2) of the Catalist Rules. 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 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 Khiat, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



(Company Registration No. 200913076M)
(Incorporated in the Republic of Singapore on 19 July 2009)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

THE PROPOSED ISSUANCE AND ALLOTMENT OF 230,769,231 NEW ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF THE COMPANY ("SUBSCRIPTION SHARES") TO MR. ZHU HUA AT THE ISSUE PRICE OF S\$0.0065 PER SUBSCRIPTION SHARE

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form : 18 November 2023 at 3.00 p.m.

Date and time of EGM : 21 November 2023 at 3.00 p.m.

Place of EGM : 37 Jalan Pemimpin, #02-07 Mapex,
Singapore 577177

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DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires or is otherwise stated, the following definitions shall apply throughout:

“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which it is subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Board”	:	The board of Directors as at the date of this Circular
“Business Day”	:	A day on which the banks in Singapore are open for business (excluding Saturday, Sundays and gazetted public holidays)
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 6 November 2023 in relation to the Proposed Subscription
“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
“Company”	:	Biolidics Limited
“Completion”	:	The completion of the Proposed Subscription, in accordance with the terms and conditions of the Subscription Agreement

DEFINITIONS

“Conditions Precedent”	:	Has the meaning ascribed to it in Section 2.2.2 of this Circular
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
“Controlling Interest”	:	The interest of the Controlling Shareholder(s)
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly fifteen per cent. (15%) or more of the total number of the Shares; or (b) in fact exercises control over the Company
“Director”	:	A director of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177 on 21 November 2023 at 3.00 p.m., notice of which is set out in the Notice of EGM
“Enlarged Share Capital”	:	The enlarged issued and paid-up share capital of the Company immediately after the Completion, comprising 789,895,836 Shares
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company as at the Latest Practicable Date, comprising 559,126,605 Shares. The Company has no treasury shares.
“FY”	:	Financial year ended or ending 31 December
“Group”	:	The Company and its subsidiaries from time to time
“Latest Practicable Date”	:	31 October 2023
“LPS”	:	Loss per Share
“LQN”	:	Has the meaning ascribed to it in Section 2.2.2 of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Net Proceeds”	:	Has the meaning ascribed to it in Section 6 of this Circular
“Notice of EGM”	:	The notice of the EGM which is set out on pages N-1 to N-2 of this Circular

DEFINITIONS

“NTL”	:	Net tangible liabilities
“Ordinary Resolution”	:	The ordinary resolution in relation to the Proposed Subscription to be proposed for approval by Shareholders at the EGM
“Outstanding Debt”	:	Has the meaning ascribed to it in Section 5 of this Circular
“Parties”	:	Collectively, the Company and the Subscriber and each a “Party”
“Proposed Subscription”	:	The proposed subscription by the Subscriber of the Subscription Shares at the Subscription Price, pursuant to the terms and subject to the conditions of the Subscription Agreement
“Proxy Form”	:	The proxy form attached to the Notice of EGM which is set out on Pages F-1 to F-2 of this Circular
“Record Date”	:	In relation to any dividend, right, allotment or other distributions, the date as at the close of business on which Shareholders must be registered in order to participate in such dividend, right, allotment or other distributions
“Register of Members”	:	The register of members of the Company
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but does not include securities sub-accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	The system maintained by the SGX-ST for announcements by listed companies
“Shares”	:	Ordinary shares in the capital of the Company
“Shareholders”	:	Registered holders of Shares as indicated in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Subscriber”	:	Mr. Zhu Hua, a citizen of the People’s Republic of China

DEFINITIONS

“Subscription Agreement”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Subscription Amount”	:	S\$1,500,000, being the aggregate Subscription Price for all the Subscriber Shares
“Subscription Price”	:	S\$0.0065 per Subscription Share
“Subscription Shares”	:	The 230,769,231 new Shares to be issued and allotted by the Company to the Subscriber pursuant to the terms and subject to the conditions of the Subscription Agreement, and each a “Subscription Share”
“Substantial Shareholder”	:	A person (including a corporation) who has an interest or interests in one or more voting Shares and the total votes attached to that Share, or those Shares, is not less than five per cent. (5%) of the total votes attached to all the voting Shares
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“Term Sheet”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“VWAP”	:	Volume-weighted average price
“%” or “per cent.”	:	Per centum or percentage

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

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

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

Any reference in this Circular to any statute or enactment is a reference to such statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless the context otherwise requires.

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

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

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaims any responsibility, and undertakes no obligation to update or revise any forward looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS



(Company Registration No. 200913076M)
(Incorporated in the Republic of Singapore on 19 July 2009)

Directors

Mr. Gavin Mark McIntyre	<i>(Non-Executive Independent Chairman)</i>
Mr. Song Tang Yih	<i>(Executive Director and Chief Executive Officer)</i>
Mr. Ian David Brown	<i>(Independent Director)</i>
Ms. Ch'ng Li-Ling	<i>(Independent Director)</i>

Registered Office

37 Jalan Pemimpin
#02-07 Mapex
Singapore 577177

6 November 2023

To: The Shareholders of Biolidics Limited

Dear Sir/Madam

THE PROPOSED ISSUANCE AND ALLOTMENT OF 230,769,231 SUBSCRIPTION SHARES TO THE SUBSCRIBER AT THE SUBSCRIPTION PRICE OF S\$0.0065 PER SUBSCRIPTION SHARE

1. INTRODUCTION

1.1 Purpose of this Circular

The Board is convening the EGM to be held on 21 November 2023 at 3.00 p.m. at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177 to seek the approval of Shareholders for the Proposed Subscription.

The purpose of this Circular is to provide Shareholders with necessary information relating to the Proposed Subscription, including, *inter alia*, the rationale for the Proposed Subscription and the use of proceeds from the Proposed Subscription, and to seek Shareholders' approval in relation thereto at the EGM.

The Company has appointed Bayfront Law LLC as its legal adviser in relation to the Proposed Subscription.

2. THE PROPOSED SUBSCRIPTION

2.1 Background

On 12 October 2023, subsequent to a binding term sheet dated 3 October 2023 ("**Term Sheet**") entered into between the Company and the Subscriber, the Company announced that it has entered into a subscription agreement ("**Subscription Agreement**") with the Subscriber, Mr. Zhu Hua, for the issuance and allotment by the Company to the Subscriber of an aggregate number of 230,769,231 Subscription Shares at the Subscription Price, pursuant to the terms and subject to the conditions of the Subscription Agreement.

LETTER TO SHAREHOLDERS

The Subscription Shares, when allotted and issued, shall be free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the existing Shares as at the date of issue of the Subscription Shares, except for any dividends, rights, distributions, allotments or other entitlements the record date of which falls before such date of issue.

2.2 Principal Terms of the Proposed Subscription

2.2.1 Subscription Price

Under the terms of the Subscription Agreement, the Subscriber shall subscribe for an aggregate of 230,769,231 Subscription Shares at the Subscription Price of S\$0.0065 per Subscription Share for an aggregate Subscription Amount of S\$1,500,000.

The Subscription Price was arrived at following arm's length negotiations between the Company and the Subscriber and represents a discount of approximately 56.38% to the VWAP of approximately S\$0.0149 per Share for trades done on the SGX-ST on 12 October 2023, being the date of the Subscription Agreement. Rule 811(1) of the Catalist Rules states that an issue of shares must not be priced at more than 10% discount to the VWAP for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full market day, the VWAP must be based on the trades done on the preceding market day up to the time the placement agreement is signed.

2.2.2 Conditions Precedent

Completion of the Proposed Subscription is conditional upon the following conditions being satisfied ("**Conditions Precedent**"):

- (a) the receipt of the listing and quotation notice ("**LQN**") from the SGX-ST for the listing of and quotation for the Subscription Shares on the Official List of the SGX-ST and the LQN not being revoked or amended as at the date of Completion and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Company;
- (b) Shareholders' approval for the Proposed Subscription being obtained at the EGM;
- (c) proof of funds for the Subscription Amount, in a form satisfactory to the Company, to be provided by the Subscriber to the Company;
- (d) the completion and satisfactory outcome of Know-Your-Client and due diligence checks to be conducted by the Company on the Subscriber; and
- (e) continued trading of the Shares on the Catalist.

As at the Latest Practicable Date, the Conditions Precedent set out in paragraphs (c) and (d) above have been satisfied.

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2.2.3 Termination

If any of the Conditions Precedent set forth above or in the Term Sheet is not satisfied by 21 November 2023 (or such other date as may be mutually agreed between the Company and the Subscriber in writing), the Subscription Agreement shall terminate and the obligations of the Company to issue the Subscription Shares and the Subscriber to subscribe for the Subscription Shares shall ipso facto cease and determine thereafter.

2.2.4 Completion

Completion shall take place on the date falling three (3) Business Days after the date on which the Conditions Precedent above have been satisfied or otherwise waived in writing by the relevant Party, or such other date as may be mutually agreed between the Parties.

2.3 Listing and Quotation of the Subscription Shares

The Company had on 26 October 2023, received the LQN, subject to the following conditions:

- (a) the Company obtaining shareholders' approval for the Proposed Subscription at an extraordinary general meeting; and
- (b) the Company's compliance with the SGX-ST's listing requirements.

The LQN is not to be taken as an indication of the merits of the Proposed Subscription, the Subscription Shares, the Company, its subsidiaries and their securities.

2.4 Exclusivity

For the period until the Subscription Agreement is terminated, the Company has undertaken to work exclusively with the Subscriber towards the successful completion of the Proposed Subscription and will not engage in discussions or enter into agreements with any third parties with the intention of issuing new Shares or securities of the Company other than to the Subscriber.

2.5 Board Composition

The Company has undertaken to maintain the composition of its current Board until the completion of the Proposed Subscription, apart from the Non-Executive Independent Chairman of the Company who will be stepping down from the Board on 30 November 2023.

The Subscriber shall be entitled to be appointed as a Non-Executive Director of the Company following the completion of the Proposed Subscription, subject to the recommendation of the nominating committee of the Company and the approval of the Board.

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2.6 Future Fundraising

The Company has undertaken not to engage in any fundraising exercise for a period of six (6) months subsequent to the completion of the Proposed Subscription without the consent of the Subscriber.

3. REQUIREMENTS UNDER THE CATALIST RULES

3.1 Rule 803 of the Catalist Rules

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. Under the Catalist Rules, a Controlling Shareholder is a person who (a) holds directly or indirectly 15% or more of the total number of issued voting Shares, or (b) in fact exercises control over the Company.

As at the Latest Practicable Date, the Subscriber does not hold or otherwise have an interest in any Shares. Upon Completion, the Subscriber will hold 230,769,231 Shares, representing approximately 29.22% of the Enlarged Share Capital.

The Proposed Subscription will therefore constitute a transfer of Controlling Interest in the Company as the Subscriber will become a Controlling Shareholder, holding more than 15% of the Enlarged Share Capital.

3.2 Rule 811 of the Catalist Rules

Rule 811(1) of the Catalist Rules provides that an issue of shares must not be priced at more than 10% discount to the VWAP for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full market day, the VWAP must be based on the trades done on the preceding market day up to the time the placement agreement is signed.

The Subscription Price was arrived at following arm's length negotiations between the Company and the Subscriber, and represents a discount of approximately 56.38% to the VWAP of approximately S\$0.0149 per Share for trades done on the SGX-ST on 12 October 2023, being the date of the Subscription Agreement.

3.3 Approval of Shareholders

Accordingly, the Company will be seeking specific Shareholders' approval for the Proposed Subscription pursuant to Rules 803 and 811 of the Catalist Rules. For the avoidance of doubt, the issuance of the Subscription Shares will not be in reliance of the general share issue mandate to issue new Shares, whether by way of rights, bonus or otherwise, which was approved by Shareholders at the annual general meeting of the Company held on 28 April 2023.

4. INFORMATION ON THE SUBSCRIBER

4.1 The information presented herein relating to the Subscriber is based on information provided by the Subscriber. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.

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4.2 The Subscriber is a citizen of the People's Republic of China ("**PRC**") and is the managing director and owns approximately 99.9% of the issued and paid-up share capital of Beijing Zhenghe Antai Investment Management Co., Ltd. (北京正和安泰投资管理有限责任公司), an investment management company established in the PRC. The Subscriber has worked in several equity investment fund companies and has about 20 years of experience in investment management. In particular, he has more than 10 years of investment experience in the internet, mobile internet and multi-channel network industry.

4.3 The Subscriber has acknowledged and confirmed that as at the date of the Subscription Agreement: (a) he is not co-operating pursuant to an agreement or undertaking (whether formal or informal) with any persons to obtain or consolidate effective control of the Company; (b) he is subscribing for the Subscription Shares for his own account for investment purposes and will not be holding the Subscription Shares in trust or as a nominee for other persons; (c) he is an independent third party who is unrelated to the Directors and Substantial Shareholders, and (d) he and his Associates do not hold, directly or indirectly, any Shares or any instruments convertible into, rights to subscribe for and options in respect of Shares.

Save in relation to the Proposed Subscription, the Subscriber does not have any connection (including business relationship) with the Company, the Directors and/or the Substantial Shareholders, and does not fall within any of the categories of persons whom the Company is prohibited from issuing Shares to, as provided for by Rule 812 of the Catalist Rules.

4.4 The Subscriber was introduced to the Company by Crowe Horwath First Trust Corporate Advisory Pte. Ltd. ("**Introducer**"). An introducer fee equivalent to 3.5% of the Subscription Amount, amounting to S\$52,500, will be paid to the Introducer by the Company.

4.5 Following the completion of the Proposed Subscription, the Subscriber intends to undertake a strategic review of the Group's existing business and recommend new businesses, where appropriate, to the Board. The Subscriber has also undertaken to provide financial support to the Group by way of, *inter alia*, interest-free shareholder's loans to ensure that the Company and the Group will be able to continue to operate as a going concern. The quantum of such financial support is to be mutually agreed between the Company and the Subscriber following the completion of the strategic review of the Group's existing businesses.

5. RATIONALE FOR THE PROPOSED SUBSCRIPTION

As at the Latest Practicable Date, the Company has an amount of S\$2,138,750 owing to Clearbridge BSA Pte. Ltd. ("**CBSA**"), and which will be payable by the Company to CBSA no later than 25 November 2023 ("**Outstanding Debt**"). In view of the impending due date for the repayment of the Outstanding Debt, the Board and management of the Group ("**Management**") has constantly been exploring opportunities to monetise its assets, including its intellectual properties, as well as fund raising opportunities, including equity issuances.

In particular and as announced by the Company on 25 September 2023, the Board noted that CBSA had on 22 September 2023, entered into deeds of assignment ("**Assignment Deeds**") with four (4) individuals (collectively the "**Assignees**") to assign the Outstanding Debt ("**Assigned Debt**") to the Assignees, subject to, *inter alia*, consent from the Company being obtained by CBSA for the transactions contemplated by the Assignment Deeds and

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the Assignees entering into a new convertible loan agreement with the Company on such terms and conditions reasonably satisfactory to the Assignees (**“Proposed Debt Assignment”**), including:

- (i) the maturity date for final repayment of the Assigned Debt shall be extended by a further six (6) months from 25 November 2023 to 24 May 2024 (**“New Repayment Date”**); and
- (ii) the Assigned Debt shall be convertible by the respective Assignees at any time from the completion date of the Proposed Debt Assignment to the New Repayment Date into new Shares at a price being the higher of (a) a 10.0% discount to the prevailing market price of the Shares as traded on the SGX-ST on the market day immediately prior to the conversion of the Assigned Debt or (b) 0.77 Singapore cents.

After careful deliberation and consideration, the Board and Management has decided not to proceed with the Proposed Debt Assignment for the following reasons:

- (a) assuming that the Assigned Debt is converted based on the minimum conversion price of S\$0.0077, the aggregate number of new Shares to be issued to the Assignees will amount to approximately 33.19% of the enlarged issued share capital of the Company. Notwithstanding that such minimum conversion price is higher than the Subscription Price, the maximum dilution to Shareholders arising from the conversion of the Assigned Debt will be higher as compared to that of the Proposed Subscription; and
- (b) the Company was already in an advanced stage of negotiation with the Subscriber at the time when it was informed of the Proposed Debt Assignment by CBSA. Having assessed the indicative terms of the Proposed Debt Assignment, the Board is of the view that the terms of the Proposed Subscription, including the intention of the Subscriber to undertake a strategic review of the Group’s existing business as well as the intention to provide financial support to the Group to ensure that the Company and the Group will be able to continue to operate as a going concern, compares favorably vis-à-vis that of the Proposed Debt Assignment, particularly in view of the impending due date for the repayment of the Outstanding Debt and the future working capital requirements of the Group.

Accordingly, based on the various proposals which the Board and Management have received up to the date of the execution of the Term Sheet (including the Proposed Debt Assignment), and to ensure that the Group is able to raise the requisite amount of funds to repay the Outstanding Debt by its payment due date, the Board has decided to proceed with the execution of the Term Sheet, and subsequently the Subscription Agreement, as it is of the view that the terms of the Proposed Subscription best suits the Group’s requirements and is in the best interests of the Group and its Shareholders.

The Board wishes to highlight that the Company’s previous independent auditor, Ernst & Young LLP, had issued a disclaimer of opinion (the **“Disclaimer of Opinion”**) in their independent auditor’s report dated 10 April 2023 on the audited consolidated financial statements of the Group and the Company for FY2022. The basis for the Disclaimer of Opinion is in relation to the use of the Group’s going concern assumption. For the six-month financial period ended 30 June 2023, the Group had recorded a net loss of approximately S\$0.95 million and a net operating cash outflow of approximately S\$1.01 million. As at 30 June 2023, the Group and the Company was in a net equity deficit position of approximately S\$1.60 million and S\$1.63 million respectively and was in a negative working

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capital position of approximately S\$0.50 million and S\$0.51 million respectively. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Upon completion of the Proposed Subscription, the Subscriber will become a Controlling Shareholder. The Subscriber brings with him about 20 years of experience in investment management. After completion of the Proposed Subscription, the Company intends to carry out, together with the Subscriber, a strategic review of the Group's existing business and the Subscriber will, where appropriate, recommend new businesses to the Board. The Company intends to leverage on the industry network, experience, expertise and resources of the Subscriber to seek new growth opportunities for the Group. In the event the Group undertakes diversification into any new businesses, the Company will, in accordance with the requirements under the Catalist Rules, seek the approval of Shareholders accordingly.

Subject to the completion of the Proposed Subscription, the Subscriber has undertaken to provide financial support to the Group by way of, *inter alia*, interest-free shareholder's loans to ensure that the Company and the Group will be able to continue to operate as a going concern. The quantum of such financial support is to be mutually agreed between the Company and the Subscriber following the completion of the strategic review of the Group's existing businesses.

In the event that the Proposed Subscription is not completed and/or the Subscriber does not provide, or is unable to provide, sufficient financial support to the Group for its working capital requirements, the Group will look for alternative sources of funding such as equity or debt fundraising through a placement of securities of the Company to investors or other fundraising opportunities to raise the requisite funding for the repayment of the Outstanding Debt and/or for the Group's working capital requirements. Should the Group fail to raise such alternative funding, the Company and the Group may not be able to operate as a going concern and trading of the Shares may be suspended pursuant to Rule 1303(3) of the Catalist Rules.

6. USE OF PROCEEDS

The net proceeds from the Proposed Subscription (after deducting estimated expenses of approximately S\$0.11 million) will amount to approximately S\$1.39 million (the "**Net Proceeds**"), and will be fully utilised by the Company to partially repay the Outstanding Debt. The balance amount of the Outstanding Debt of approximately S\$0.75 million is to be repaid using a combination of (i) S\$0.50 million of the net proceeds which has been allocated for such purpose from the Company's renounceable non-underwritten rights issue of new Shares completed in November 2022, and (ii) approximately S\$0.25 million from the Group's internal resources.

Pending the utilisation of the Net Proceeds as outlined above, the Net Proceeds may be deposited in financial institutions or be used for working capital or any other purpose on a short-term basis as the Directors may deem fit in the interests of the Group.

The Company will make periodic announcements as and when the Net Proceeds are materially disbursed and whether the disbursements are in accordance with the use of proceeds as stated in this Circular. The Company will also provide a status report on the use of such Net Proceeds in the Company's annual reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds are used for working capital purposes, the Company will

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provide a breakdown with specific details on how the Net Proceeds have been applied in the Company's announcements and annual reports.

7. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

7.1 The financial effects of the Proposed Subscription on the Group as set out below are for illustrative purposes only and do not purport to be indicative or a projection of the future financial performance and financial position of the Group after the completion of the Proposed Subscription.

The financial effects of the Proposed Subscription on the Group have been computed based on the latest audited consolidated financial statements of the Group for FY2022 and the following bases and assumptions:

- (a) the financial effects on the consolidated NTL per Share is computed based on the assumption that the Proposed Subscription was completed on 31 December 2022;
- (b) the financial effects on the consolidated LPS is computed based on the assumption that the Proposed Subscription was completed on 1 January 2022; and
- (c) assume that there is no return earned from the Net Proceeds.

7.2 NTL per Share

	Before the Proposed Subscription	After the Proposed Subscription
NTL of the Group as at 31 December 2022 (S\$'000)	1,688	299
Number of issued Shares ('000)	559,127	789,896
NTL per Share as at 31 December 2022 (Singapore cents)	0.30	0.04

7.3 LPS

	Before the Proposed Subscription	After the Proposed Subscription
Loss attributable to equity holders of the Company for FY2022 (S\$'000)	9,428	9,428
Number of issued Shares ('000)	559,127	789,896
LPS for FY2022 (Singapore cents)	1.69	1.19

LETTER TO SHAREHOLDERS

8. SHAREHOLDING EFFECTS OF THE PROPOSED SUBSCRIPTION

Based on the Register of Members as at the Latest Practicable Date, the effect of the Proposed Subscription on the shareholdings of the Company is as follows:

	Before the Proposed Subscription				After the Proposed Subscription			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽²⁾
Directors								
Gavin Mark McIntyre	–	–	–	–	–	–	–	–
Song Tang Yih	24,501,500	4.38	–	–	24,501,500	3.10	–	–
Ian David Brown	–	–	–	–	–	–	–	–
Ch'ng Li-Ling	–	–	–	–	–	–	–	–
Substantial Shareholders								
Wong Kong Leong	57,123,300	10.22	–	–	57,123,300	7.23	–	–
Subscriber	–	–	–	–	230,769,231	29.22	–	–
Existing public	477,501,805	85.40	–	–	477,501,805	60.45	–	–

Notes:

(1) Based on the Existing Share Capital.

(2) Based on the Enlarged Share Capital.

9. OPINION OF THE DIRECTORS

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, as at the Latest Practicable Date, the working capital available to the Group is not sufficient to meet its present requirements.

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities and the Net Proceeds, as at the Latest Practicable Date, the working capital available to the Group is not sufficient to meet its present requirements.

The Board notes that under the terms of the Subscription Agreement, subject to the completion of the Proposed Subscription, the Subscriber has undertaken to provide financial support to the Group by way of, *inter alia*, interest-free shareholder's loans to ensure that the Company and the Group will be able to continue to operate as a going concern. The quantum of such financial support is to be mutually agreed between the Company and the Subscriber following the completion of the strategic review of the Group's existing businesses.

LETTER TO SHAREHOLDERS

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Subscription, save for their interests (if any) by way of their shareholdings and/or directorships, as the case may be, in the Company.

In addition, the Subscriber is not under the control or influence of any of the Directors or Substantial Shareholders.

11. DIRECTORS' RECOMMENDATIONS

11.1 The Proposed Subscription

The Directors, having considered, *inter alia*, the terms and conditions of the Subscription Agreement, rationale for the Proposed Subscription, the intended use of the Net Proceeds, and all other relevant information as set out in this Circular, are of the opinion that the Proposed Subscription is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution as set out in the Notice of EGM.

11.2 No regard to specific objectives

Shareholders, in deciding whether to vote in favour of the Ordinary Resolution, should read carefully the terms and conditions, rationale and financial effects of the Proposed Subscription. In giving the above recommendation, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank, solicitor, accountant, tax adviser or other professional advisers.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177 on 21 November 2023 at 3.00 p.m., for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf shall complete and sign the attached Proxy Form in accordance with the instructions printed thereon and return it to the registered office of the Company at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177, not less than 72 hours before the time fixed for the holding of the EGM. The completion and return of the Proxy Form by a Shareholder will not preclude him from attending the EGM and voting in person in place of his proxy or proxies should he subsequently wishes to do so. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least 72 hours before the time appointed for holding the EGM.

LETTER TO SHAREHOLDERS

14. 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 Subscription, 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.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection 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; and
- (b) the Subscription Agreement.

Yours faithfully

For and on behalf of the Board of Directors of
Biolidics Limited

Mr. Song Tang Yih
Executive Director and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

BIOLIDICS LIMITED

(Company Registration No. 200913076M)
(Incorporated in the Republic of Singapore on 19 July 2009)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Biolidics Limited (the "**Company**") will be held at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177 on 21 November 2023 at 3.00 p.m. ("**EGM**" or the "**Meeting**") for the purpose of considering, and if thought fit, passing (with or without any modification) the following ordinary resolution as set out below:

*Unless otherwise defined, all capitalised terms used in this notice of EGM shall bear the same meanings as ascribed to them in the circular to shareholders of the Company dated 6 November 2023 (the "**Circular**").*

ORDINARY RESOLUTION – THE PROPOSED SUBSCRIPTION

That:

- (a) approval and authority be and is hereby given for the issuance and allotment of 230,769,231 new ordinary shares in the capital of the Company (the "**Subscription Shares**") to Mr. Zhu Hua (the "**Subscriber**"), at an issue price of S\$0.0065 per Subscription Share, representing a discount of approximately 56.38% to the volume-weighted average price of approximately S\$0.0149 per Share for trades done on the Shares on the SGX-ST on 12 October 2023, being the date of the subscription agreement dated 12 October 2023 entered into between the Company and the Subscriber (the "**Subscription Agreement**"), which will result in the transfer of a controlling interest in the Company pursuant to Rule 803 of the Catalist Rules (the "**Proposed Subscription**");
- (b) the Subscription Shares, when allotted and issued, shall be free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the existing Shares as at the date of issue of the Subscription Shares, except for any dividends, rights, distributions, allotments or other entitlements the Record Date of which falls before such date of issue;
- (c) the Directors or any of them be and are hereby authorised to complete and do all acts and things (including, without limitation, enter into all transactions, arrangements and agreements and approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they or each of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution and the Proposed Subscription as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company; and
- (d) any acts and things done or performed, and/or any agreements and documents signed, executed, sealed and/or delivered by a Director in connection with this resolution and the Proposed Subscription be and are hereby approved, confirmed and ratified.

BY ORDER OF THE BOARD

Song Tong Yih
Executive Director and Chief Executive Officer

6 November 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Printed copies of this notice of EGM, Proxy Form and the Request Form (to request for the Circular) have been despatched to the Shareholders and are also available on the SGXNet and the Company's website at the URL: www.biolidics.com.
2. The Circular has been published and is available for viewing by the Shareholders at the Company's website at the URL: www.biolidics.com and the SGXNet. Printed copies of the Circular will not be mailed to the Shareholders unless requested by the Shareholders pursuant to a submitted request. Shareholders who wish to receive a printed copy of the Circular are required to complete the Request Form and return it to the Company by post or by email by 14 November 2023.
3. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
4. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified).
5. The instrument appointing a proxy must be deposited at the registered office of the Company at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177, not less than 72 hours before the time appointed for holding the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument 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, proxy 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.

PROXY FORM

BIOLIDICS LIMITED

(Company Registration No. 200913076M)
(Incorporated in the Republic of Singapore on 19 July 2009)

PROXY FORM

*I/We, _____ (NRIC No./Passport No. _____),
of _____ (Address),
being a member of Biolidics Limited ("**Company**"), hereby appoint:

- (a) _____ (NRIC No./Passport No. _____)
of _____;
and/or
- (b) _____ (NRIC No./Passport No. _____)
of _____,

or failing *him/her/them, the Chairman of the Meeting as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the EGM to be held at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177 on Tuesday, 21 November 2023 at 3.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The resolution put to vote at the EGM shall be decided by poll.

*Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolution as set out in the Notice of EGM. In the absence of any specific directions, the *proxy/proxies will vote or abstain as he/they may think fit.*

Ordinary Resolution	For	Against	Abstain
To approve the Proposed Subscription			

Dated:

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

Signature of Member(s)/Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this Proxy Form will be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary) appoints two (2) proxies, the appointments shall be invalid, unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
6. The instrument appointing a proxy must be deposited at the registered office of the Company at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177, not less than 72 hours before the time appointed for holding the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds Shares under the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the EGM in person. SRS Investors who are unable to attend the EGM but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL:

The Company shall be entitled to reject an instrument of proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies 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 an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 6 November 2023.