

CIRCULAR DATED 26 MAY 2025

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN DOUBT AS TO THE ACTION THAT 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 bear the same meanings 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 the sale or transfer was effected, for onward transmission to the purchaser or transferee.

This document has been reviewed by the Company’s sponsor, Evolve Capital Advisory Private Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any statements or opinions made or reports contained in this document.

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



CIRCULAR TO SHAREHOLDERS IN RELATION TO

- (1) THE PROPOSED CHANGE OF NAME OF THE COMPANY TO EMBRACING FUTURE HOLDINGS LIMITED**
- (2) THE PROPOSED DIVERSIFICATION OF THE GROUP’S EXISTING BUSINESS TO INCLUDE GREEN ENERGY BUSINESS AND AI AGENT BUSINESS**
- (3) THE PROPOSED ALLOTMENT AND ISSUANCE OF YUAN SIGN-ON SHARES AND YUAN PERFORMANCE BONUS SHARES TO MR. YUAN**
- (4) THE PROPOSED RATIFICATION OF THE 4Q2024 ZH LOAN AGREEMENTS (AS DEFINED HEREIN) AS INTERESTED PERSON TRANSACTIONS**
- (5) THE PROPOSED EFM CN SUBSCRIPTION (AS DEFINED HEREIN) BY MR. ZHU AS AN INTERESTED PERSON TRANSACTION**

**Independent Financial Adviser in respect of
the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction**



Important Dates and Times:

Last date and time for lodgement of Proxy Form	:	Saturday, 14 June 2025 at 10.30 am
Date and time of EGM	:	Tuesday, 17 June 2025 at 10.30 am
Place of EGM	:	18 Howard Road, #02-07 Novelty BizCentre, Singapore 369585

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DEFINITIONS

“ACRA”	: Accounting and Corporate Regulatory Authority
“Aggregated Transactions”	: Has the meaning ascribed to it in Section 3.12 of this Circular
“AI”	: Artificial Intelligence
“AI Agent Business”	: Has the meaning ascribed to it in Section 3.2(b) of this Circular
“Ali Post-Termination Services Fees”	: Mr. Ali’s consultancy fees for post-termination services rendered to the Company from April 2024 to September 2025 amounting to a total of S\$ 63,000.00
“Ali Supplemental Agreement”	: The supplemental agreement dated 16 May 2025 entered into between the Company and Mr. Ali in connection with the Ali Post-Termination Services Fees
“Ali Shares”	: The 3,000,000 new Shares to be allotted and issued by the Company to Mr. Ali pursuant to the General Mandate as payment of the Ali Post-Termination Services Fees
“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 Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Audit and Risk Committee”	: The audit and risk committee of the Company as at the date of this Circular or from time to time, as the case may be
“Board”	: The board of Directors of the Company 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, modified or supplemented from time to time
“CDP”	: The Central Depository (Pte) Limited

DEFINITIONS

“Circular”	: This circular to Shareholders dated 26 May 2025 in relation to the Proposed Resolutions
“Code”	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Companies Act”	: The Companies Act 1967 of Singapore, as amended or modified or supplemented from time to time
“Company”	: Biolidics Limited
“Constitution”	: The Constitution of the Company, as amended or modified or supplemented from time to time
“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over a company
“Director”	: A director of the Company as at the date of this Circular or from time to time, as the case may be
“Earn-Out Consideration Shares”	: The Shares allotted and issued to Mr. Yuan and Mr. Wu Kun Wei 吴坤伟 (which are currently held in Escrow) pursuant to the terms and conditions of the SXNT Acquisition
“ECA”	: Evolve Capital Advisory Private Limited
“ECA Professional Fees”	: Part of the final milestone payment of the professional fees in connection with ECA acting as financial advisor with respect to the Company’s SXNT Acquisition
“ECA Supplemental Agreement”	: The supplemental agreement dated 16 May 2025 entered into between the Company and ECA in connection with the ECA Professional Fees
“ECA Shares”	: The 2,630,887 new Shares to be allotted and issued by the Company to ECA pursuant to the General Mandate as payment of the ECA Professional Fees
“EFE-Sports”	: Embracing Future E-Sports Pte. Ltd., a wholly-owned subsidiary of the Company
“EFMCN”	: Embracing Future MCN Technology Pte. Ltd., a wholly-owned subsidiary of the Company
“EFMCN Shares”	: Ordinary shares in the share capital of EFMCN
“Effective Date”	: Has the meaning ascribed to it in Section 4.3 of this Circular

DEFINITIONS

“EGM”	: The extraordinary general meeting of the Company to be held on Tuesday, 17 June 2025 at 10.30 am, notice of which is set out in the Notice of EGM
“EPS”	: Earnings per Share
“Existing Business”	: Has the meaning as defined in Section 3.1 of this Circular
“Existing Share Capital”	: 1,690,758,836 Shares, the existing share capital of the Company as at the Latest Practicable Date
“First Major Transaction”	: Has the meaning ascribed to it in Section 3.12 of this Circular
“FY”	: Financial year ended or, as the case may be, ending 31 December
“General Mandate”	: the general mandate obtained from Shareholders by way of an ordinary resolution at the annual general meeting of the Company held on 29 April 2025
“General Mandate Issuances”	: The allotment and issuance of the ECA Shares, Ali Shares and the Icon Shares pursuant to the General Mandate
“Green Energy Business”	: Has the meaning ascribed to it in Section 3.2(a) of this Circular
“Group”	: The Company and its subsidiaries from time to time
“Icon Law”	: Icon Law LLC
“Icon Law Engagement Letter”	: The engagement letter dated 25 March 2025 in connection with the appointment of Icon Law as legal adviser to the Company for the Proposed Resolutions
“Icon Professional Fees”	: The professional fees for the legal services rendered to the Company in connection with the Proposed Resolutions
“Icon Shares”	: The 526,177 new Shares to be allotted and issued by the Company to Icon Law pursuant to the General Mandate as partial payment of the Icon Professional Fees
“IFA”	: The independent financial adviser, ZICO Capital Pte. Ltd.
“IFA Opinion”	: The letter dated 26 May 2025 from the IFA in respect of the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction, a copy of which is set out in Appendix 1 of this Circular
“Latest Practicable Date”	: 19 May 2025, being the latest practicable date prior to the issue of this Circular
“Major Transaction”	: Has the meaning ascribed to it in Section 3.12 of this Circular

DEFINITIONS

“Maximum Yuan Performance Bonus Shares”	:	Has the meaning ascribed to it in Section 4.5 of this Circular
“Minimum Yuan Performance Bonus Shares”	:	Has the meaning ascribed to it in Section 4.5 of this Circular
“Mr. Ali”	:	Mr. Ali Asgar Saleem Bhagat, the Scientific and Technical Advisor to the Company
“Mr. Yuan”	:	Mr. Yuan Zhi Jun 袁志军
“NPAT”	:	Net profit after tax
“NTA”	:	Net tangible assets
“New Businesses”	:	The Green Energy Business and the AI Agent Business
“Notice of EGM”	:	The notice which is set out on pages N-1 to N-5 of this Circular
“Proposed Change of Name”	:	The proposed change of name of the Company from “Biolidics Limited” to “Embracing Future Holdings Limited”
“Proposed Diversification”	:	The proposed diversification of the Group’s Existing Business into the New Businesses, as described in Section 3 of this Circular
“Proposed EFM CN Subscription”	:	The allotment and issuance of new 204,080 new EFM CN Shares to be subscribed by the Company and Mr. Zhu pursuant to the Supplemental ZH EFM CN Loan Agreement
“Proposed Shares Issuances”	:	The General Mandate Issuances and the Proposed Yuan Shares Issuances
“Proposed Yuan Shares Issuance”	:	The proposed issuance of Yuan Sign-On Shares and Yuan Performance Bonus Shares to Mr. Yuan, as described in Section 4 of this Circular
“Proposed Resolutions”	:	Has the meaning ascribed to it in Section 1.2
“per cent” or “%”	:	Percentage or per centum
“PRC”	:	People’s Republic of China
“Proxy Form”	:	The proxy form accompanying the Notice of EGM which is set out on Pages P-1 to P-2 of this Circular
“RMB”	:	Renminbi, the lawful currency of the PRC
“S\$ and cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent

DEFINITIONS

“SFA”	: The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGXNet”	: Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shares”	: Ordinary shares in the capital of the Company and “Share” shall be construed accordingly
“Shareholders”	: Registered holder(s) of Shares in the register of members of the Company, except where the registered holder is CDP, in which case the term “Shareholders” shall, in relation to such shares, mean the Depositors who have Shares entered against their name in the Depository Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Substantial Shareholder”	: A person who has an interest or interests in voting Shares (excluding Treasury Shares and subsidiary holdings), representing not less than 5% of all the voting Shares
“Supplemental ZH EFM CN Loan Agreement”	: supplemental agreement dated 16 May 2025 between the Company, EFM CN and Mr. Zhu to amend, modify and supplement the ZH EFM CN Loan Agreement
“SXNT”	: 深圳市小钊网络科技有限责任公司 (Shenzhen Xiaozhao Network Technology Co., Ltd), a wholly-owned indirect subsidiary of the Company
“SXNT Acquisition”	: The Company’s acquisition of SXNT
“SXNT NPAT Target”	: Has the meaning ascribed to it in Section 4.2 of this Circular
“Treasury Shares”	: Has the meaning ascribed to it in Section 4 of the Companies Act
“Yuan Performance Bonus”	: Has the meaning ascribed to it in Section 4.5 of this Circular
“Yuan Performance Bonus Shares”	: Up to 391,304,348 new Shares to be allotted and issued by the Company to Mr. Yuan in accordance with the terms and conditions of the Yuan Service Agreement
“Yuan Performance Bonus Share Issue Price”	: Has the meaning ascribed to it in Section 4.5 of this Circular
“Yuan Performance Bonus Targets”	: Has the meaning ascribed to it in Section 4.5 of this Circular
“Yuan Service Agreement”	: The service agreement dated 16 May 2025 entered into by the Company, SXNT and Mr. Yuan in connection with Mr. Yuan’s employment as SXNT’s Chief Executive Officer

DEFINITIONS

“Yuan Sign-On Shares”	:	The 35,000,000 new Shares to be allotted and issued by the Company to Mr. Yuan in accordance with the terms and conditions of the Yuan Service Agreement
“Yuan Sign-On Shares Allocation”	:	Has the meaning ascribed to it in Section 4.4 of this Circular
“ZH Biolidics Loan Agreement” or “ZH Biolidics Loan”	:	The loan agreement dated 3 October 2024 entered into between the Company and Mr. Zhu Hua for an interest-free loan of S\$4,000,000 to the Company for working capital purposes
“ZH EFM CN Loan Agreement” or “ZH EFM CN Loan”	:	The loan agreement dated 3 December 2024 entered into between EFM CN and Mr. Zhu Hua for an interest-free loan of S\$410,000 to EFM CN for working capital purposes
“2024 Business Diversification”	:	The diversification of the Group’s business to include the technology-enabled lifestyle business
“4Q2024 ZH Loans”	:	the ZH Biolidics Loan and the ZH EFM CN Loan granted by Mr. Zhu to the Group pursuant to the 4Q2024 ZH Loan Agreements
“4Q2024 ZH Loan Agreements”	:	The ZH Biolidics Loan Agreement and the ZH EFM CN Loan Agreement

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

Unless the context otherwise requires:

- (a) the terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA;
- (b) the terms **“subsidiary”** and **“related corporations”** shall have the meanings ascribed to them respectively in Section 5 of the Companies Act;
- (c) 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. Unless the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;
- (d) any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless the context otherwise requires;
- (e) any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated;
- (f) any discrepancies between the figures listed 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 that precede them; and
- (g) the headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Cautionary Note on Forward Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. 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 to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, 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

BIOLIDICS LIMITED

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

Directors:

Mr. Zhu Hua	<i>(Executive Director and Chairman)</i>
Mr. Chen Lu	<i>(Executive Director and President)</i>
Ms. Ch'ng Li-Ling	<i>(Lead Independent Director)</i>
Mr. Ian David Brown	<i>(Independent Director)</i>
Mr. Liew Yoke Pheng Joseph	<i>(Independent Director)</i>

Registered Office:

18 Howard Road,
#11-09, Novelty Bizcentre,
Singapore 369585

26 May 2025

To: The Shareholders of Biolidics Limited

Dear Sir/Madam,

- (1) THE PROPOSED CHANGE OF NAME OF THE COMPANY TO EMBRACING FUTURE HOLDINGS LIMITED**
- (2) THE PROPOSED DIVERSIFICATION OF THE GROUP'S EXISTING BUSINESS TO INCLUDE GREEN ENERGY BUSINESS AND AI AGENT BUSINESS**
- (3) THE PROPOSED ALLOTMENT AND ISSUANCE OF YUAN SIGN-ON SHARES AND YUAN PERFORMANCE BONUS SHARES TO MR. YUAN**
- (4) THE PROPOSED RATIFICATION OF THE 4Q2024 ZH LOAN AGREEMENTS (AS DEFINED HEREIN) AS INTERESTED PERSON TRANSACTIONS**
- (5) THE PROPOSED EFM CN SUBSCRIPTION (AS DEFINED HEREIN) BY MR. ZHU AS AN INTERESTED PERSON TRANSACTION**

1 INTRODUCTION

1.1 On 17 May 2025, the Company announced the following:

- (a) that the Company has entered into the Yuan Service Agreement in relation to the employment of Mr. Yuan as the Chief Executive Officer of SXNT and the allotment and issuance of the Yuan Sign-On Shares and the Yuan Performance Bonus Shares;
- (b) that the Company has entered into the ECA Supplemental Agreement, Ali Supplemental Agreement and the Icon Law Engagement Letter in connection with the allotment and issuance of the ECA Shares, Ali Shares and Icon Shares, respectively, pursuant to the General Mandate;
- (c) the Proposed Change of Name;
- (d) the Proposed Diversification;
- (e) the Proposed Ratification of the 4Q2024 ZH Loan Agreements as interested person transactions; and
- (f) the entry into the Supplemental ZH EFM CN Loan Agreement which contemplates, *inter alia*, the partial repayment of the loan by way of the Proposed EFM CN Subscription by Mr. Zhu.

LETTER TO SHAREHOLDERS

- 1.2 The Board is proposing to convene an EGM to be held on Tuesday, 17 June 2025 at 10.30 am to seek the approval of Shareholders the following resolutions to be tabled at the EGM (collectively, the **“Proposed Resolutions”**):
- (a) (Special Resolution 1) the Proposed Change of Name;
 - (b) (Ordinary Resolution 2) the Proposed Diversification of the Group’s business to include Green Energy Business and AI Agent Business;
 - (c) (Ordinary Resolution 3) the Proposed Yuan Shares Issuances;
 - (d) (Ordinary Resolution 4) the Proposed Ratification of the 4Q2024 ZH Loan Agreements as past interested person transactions; and
 - (e) (Ordinary Resolution 5) the Proposed EFMCN Subscription by Mr. Zhu as an interested person transaction.
- 1.3 The purpose of this Circular is to provide Shareholders with information relating to, and to explain the rationale for the Proposed Resolutions, and to seek Shareholders’ approval for the same to be tabled at the EGM. The Notice of EGM is set out on pages N-1 to N-5 of this Circular.

Shareholders who have any doubt as to the action they should take, should consult their stockbrokers or other professional advisors immediately.

Shareholders are advised to read the “Risk Factors” set out in Section 3.10 of this Circular carefully in relation to the risks involved pursuant to the Proposed Diversification.

- 1.4 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.
- 1.5 The Company has appointed Icon Law LLC as the legal adviser to the Company for the Proposed Resolutions.
- 1.6 Subject to Shareholders approval where necessary, the Company will, through ECA, its continuing sponsor, be making an application to the Singapore Exchange Securities Trading Limited (the **“SGX-ST”**) for the listing and quotation of the Yuan Sign-On Shares, Yuan Performance Bonus Shares, the ECA Shares, the Ali Shares and the Icon Shares (collectively, the **“Proposed Share Issuances”**) on the Catalist Board. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of such Shares (**“LQN”**) has been obtained from the SGX-ST. For the avoidance of doubt, the application for the listing and quotation of the Yuan Performance Bonus Shares will be applied for after the Company determines that the Yuan Performance Bonus Targets have been achieved for each of the respective years, and makes the relevant announcement(s) in relation to the achievement of the Yuan Performance Bonus Targets and the payment of the Yuan Performance Bonus.

The ECA Shares, the Ali Shares and the Icon Shares (collectively, the **“General Mandate Issuances”**) will be allotted and issued pursuant to the general mandate obtained from Shareholders by way of an ordinary resolution (the **“General Mandate”**) at the annual general meeting of the Company held on 29 April 2025 (the **“FY2024 AGM”**).

2 THE PROPOSED CHANGE OF NAME

2.1 Background and Rationale

The Directors are proposing to change the Company’s name from **“Biolidics Limited”** to **“Embracing Future Holdings Limited”** for identification purpose.

LETTER TO SHAREHOLDERS

Since the Company's listing on the Catalist board of the SGX-ST in December 2018, the Group has obtained approval from the Company's Shareholders at the EGM convened on 23 February 2024 for the 2024 Business Diversification and the Group further intends to diversify into the New Businesses, subject to Shareholder approval for the Proposed Diversification.

As the Group expands beyond its original business segments, the Proposed Change of Name will be beneficial to the Company as it better reflects the profile and business of the Company's business going forward. Accordingly, the Board is of the view that the Proposed Change of Name will enable the Company to create a new brand identity for itself, reflecting its current strategic direction and business activities. The Proposed Change of Name will enable the public and the Group's business partners and stakeholders to identify and recognise the Company and the Group under this new name.

2.2 Approvals

The Accounting and Corporate Regulatory Authority of Singapore ("ACRA") had on 5 February 2025 given its approval for the Proposed Change of Name. The proposed name "**Embracing Future Holdings Limited**" has been reserved by the Company until 5 June 2025. The Company will be submitting a request with ACRA on 6 June 2025, to extend the name reservation, as the EGM to approve the resolution for the Proposed Change of Name is scheduled to be held after the current reservation expiry date of 5 June 2025.

The Proposed Change of Name is subject to Shareholders' approval and will be tabled as a special resolution at the EGM to be convened as set out in the Notice of EGM on page N-1 of this Circular.

Subject to Shareholders' approval for the Proposed Change of Name, the Company shall, as soon as reasonably practicable after the EGM, lodge the requisite notifications with ACRA. The Company will adopt "**Embracing Future Holdings Limited**" as its new name with effect from the issue of the Certificate of Incorporation on Change of Name of the Company by ACRA. The name "**Embracing Future Holdings Limited**" shall replace all references to "**Biolidics Limited**" wherever it appears in the Company's Constitution. Apart from the substitution of the Company's name as aforesaid, there will be no other amendments made to the Company's Constitution.

The Company will make an announcement once the name "**Embracing Future Holdings Limited**" takes effect. Shareholders should note that the Proposed Change of Name does not affect (i) the identity or legal status of the Company, (ii) any of the rights or obligations of the Company, (iii) any of the rights of Shareholders, or (iv) the Group's daily business operations and financial position. The existing Shares will continue to be traded on the SGX-ST.

2.3 No replacement of Share Certificates Required

Shareholders should note that notwithstanding the Proposed Change of Name, the Company will not recall any existing share certificates of the Company from Shareholders and such share certificates will continue to be *prima facie* evidence of legal title. No further action is required on the part of Shareholders in respect of their existing share certificates.

3 THE PROPOSED DIVERSIFICATION

3.1 Background

Following the approval of the shareholders for the 2024 Business Diversification and the completion of the SXNT Acquisition, the principal activities of the Group and the Company are those relating to: (a) cancer, infectious disease and laboratory services, and (b) technology-enabled lifestyle business, involving the ownership, operation and management of multi-channel network (MCN) businesses, live streaming social e-commerce platforms and Esports-related businesses (collectively, the "**Existing Business**").

LETTER TO SHAREHOLDERS

While the Group remains committed to the Existing Business so long as its continuity is in the best interest of the Group and the Shareholders of the Company, the proposed expansion of the Group's core business is meant to benefit from the increased business opportunities with an aim to enhance its financial position and long term prospects of the Group.

It is envisaged that the Proposed Diversification will change the existing risk profile of the Company as it is different from the Group's Existing Business. Accordingly, the EGM is convened by the Company to seek Shareholders' approval for the Proposed Diversification.

3.2 Information in relation to the New Businesses

Subject to approval of Shareholders being obtained at an EGM to be convened, the Group proposes to diversify into the New Businesses as described below, as and when the appropriate opportunities arise:

- (a) to engage in the development, production, distribution and utilisation of renewable and sustainable energy sources such as solar, wind, hydrogen, and bioenergy as well as advancements in energy storage and smart grid technologies (the **"Green Energy Business"**); and
- (b) to engage in the development and commercialisation of artificial intelligence (**"AI"**) agent technologies that leverage generative AI, natural language processing and machine learning to automate processes, enhance efficiency, and support digital transformation across various industries (the **"AI Agent Business"**).

Please see Section 3.10 of this Circular for more information on the risks associated with the New Business.

3.3 Rationale for the Proposed Diversification

The Board proposes to diversify the Group's Existing Business to include the New Businesses for the following reasons:

(a) Additional and recurrent revenue streams

The Group is of the view that the New Businesses are expected to provide additional and recurrent revenue streams for the Group. The Group will venture into the New Businesses prudently, with a view of enhancing shareholder value over the long-term and achieving long-term growth.

(b) More diversified business and income base, reducing reliance on Existing Business

The Proposed Diversification may provide the Group with a more diversified business and income base for future growth and reduce the Group's reliance on the Existing Business for its revenue streams. As the Group explores into other growth areas, this will facilitate the Group's quest for sustained performance in future.

(c) Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long term growth. It may provide the Group with additional funds, which can be channelled towards the enhancement of shareholder value over the long-term. Additionally, the Board believes that the Proposed Diversification can offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

LETTER TO SHAREHOLDERS

(d) Positive prospects in the Green Energy Business and AI Agent Business industries

Diversifying into the New Businesses presents significant growth opportunities for our Group, aligning with global trends and market demands. Both industries are experiencing rapid expansion, driven by technological advancements, regulatory support, and increasing consumer and corporate adoption.

With governments and corporations worldwide committing to carbon neutrality, there is a strong demand for sustainable energy solutions. The green energy industry benefits from regulatory incentives, cost reductions in renewable technologies, and a growing emphasis on corporate social responsibility. Investing in green energy would allow our Group to contribute to environmental sustainability while capitalising on the long-term financial benefits of clean energy adoption.

AI adoption is accelerating across industries, from customer service and content generation to data analytics and automation, presenting lucrative opportunities for innovation and scalability. By diversifying into the AI Agent Business sector, the Group can tap into rapidly growing markets, stay competitive, and future-proof the Group's business.

3.4 Key management personnel

It is currently envisaged that the New Businesses and related management will be spearheaded by Mr. Zhu.

Mr. Zhu is the Executive Director and Chairman of the Company, where previously he was appointed as a Non-Executive Non-Independent Director of the Company on 1 December 2023 following the completion of his subscription of the Company's Shares on 28 November 2023. Mr. Zhu currently holds various senior positions in investment, technology and internet-related companies. He has worked in several equity investment fund companies and has about 21 years of experience in investment management. In particular, he has more than 11 years of investment experience in the internet, mobile internet and multi-channel network industry. Mr. Zhu obtained his Master of Science – International Securities Investment and Banking from University of Reading. He also holds a Bachelor of Economics – Investment Economics from Lanzhou University of Finance & Economics.

Although the New Businesses are different from the Existing Business of the Group, the Board recognises that the relevant experience and expertise required can be strengthened, acquired and developed by the Group over time as it progresses in the New Businesses. The Group is confident of developing and building up the expertise required and a track record for the New Businesses over time. Where necessary, it will strengthen the management and execution team of the New Businesses with additional candidates with the credentials and experience relevant to the New Businesses. The Group will also continually evaluate the manpower and expertise required for the New Businesses and will, as and when required, engage suitably qualified external personnel, consultants, industry experts and professionals for the New Businesses. In making decisions, the Board and senior management will seek the advice of these reputable external consultants and experts where necessary and appropriate. Where necessary, work may be outsourced to these third parties who have expertise in the relevant area, and in doing so, the Group will take into account the specific expertise and competencies necessary for the New Businesses.

The Group will carefully monitor developments and progress in the New Businesses. The Board, which reviews the risk exposure of the Group for all its businesses at regular intervals, will additionally review the risk exposure of the New Businesses periodically to ensure that there are sufficient guidelines and procedures in place to monitor its operations.

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3.5 Funding for the New Businesses

The Group intends to fund the New Businesses primarily through internal funds and/or retained earnings generated from the Group's operations. As and when necessary and deemed appropriate, the Company may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments to fund the initial stages of the Proposed Diversification into the New Business. The Board will determine the optimal fund-raising exercises, taking into consideration the cashflows of the Group, market conditions, and financial consideration.

The Company will remain prudent and take into account the financial condition of the Company in deciding the types of contracts and related investments it undertakes, and the amounts thereof.

3.6 Future Plans and Prospects

Based on its current plans, the Group will continue with its Existing Business. Subsequent to the Proposed Diversification, it is envisaged that the Group will continue to rely substantially on the Existing Business for the short term. The Group remains committed to the Existing Business so long as its continuity is in the best interest of the Group.

Being a new entrant to the New Businesses, the Group is likely to invest or acquire from time to time any interest, including assets, investments or shares in companies and/or entities in line with the New Businesses. The Group may also explore joint ventures, partnerships, cooperation and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Businesses as and when the opportunity arises.

The Group intends to tap on the business network and contacts of the key management of the Company to source for investment opportunities in the New Businesses. Building on its initial foray into the New Businesses, the Group will then consider undertaking the New Businesses independently when it has built its expertise and experience in this field over time. The decision on whether an investment should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the opportunities available, the nature and scale of the respective business, amount of investment required and risks associated with such an investment, nature of expertise required and economic conditions. Where there are suitable opportunities available, the Group will also take into account, amongst other factors, the working capital requirements and financial condition of the Group. Such partnerships may be on a case-by-case basis or on a long-term basis. Where necessary, work may be contracted or sub-contracted to third parties who have expertise in the relevant area(s) in relation to the contracts concerned. In selecting its partners, the Company will take into account the specific expertise and competencies necessary for the contract(s) in question and the experience, track record and financial standing of the party and/or parties concerned.

The Group does not plan to restrict the New Businesses to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits.

As at the Latest Practicable Date, the Company is exploring but has not committed to any specific business opportunity or investment under the New Businesses. However, the Company is actively exploring various business opportunities in relation to the New Businesses. Subject to Shareholders' approval for the Proposed Diversification at the EGM, should the Company pursue any of such business opportunities under the New Businesses, such business activities shall constitute part of the ordinary course of business of the Company (where it does not change the risk profile of the Company), and the Company will make the requisite announcements to update Shareholders in accordance with the requirements of the Catalist Rules.

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3.7 Changes to the Board arising from the Proposed Diversification

There will be no new appointment to the Board of Directors arising from the Proposed Diversification.

3.8 Financial Effects of the Proposed Diversification

As at the Latest Practicable Date, the Company has no affirmative and binding plans in relation to the New Businesses, and accordingly there is no expected material impact to the net profit, EPS or NTA of the Group for FY2025.

Should there be any material impact on the Group's EPS or NTA for FY2025 as a result of any developments relating to the New Businesses, the Company will make the necessary announcement(s) at the appropriate time.

3.9 Disclosure of Financial Results of the New Businesses

The New Businesses will be accounted for as new segments in the Group's financial statements in line with the Singapore Financial Reporting Standards (International) and accordingly, the Group will disclose the financials results of the New Businesses with the Group's financial statements. The financial results of the New Businesses together with the Group's financial statements will be periodically announced pursuant to the requirements as set out in Chapter 7 of the Catalist Rules. In these periodic announcements, the Group may provide segmented financial results relating to the New Businesses where appropriate or if required under any applicable accounting standards and the Catalist Rules.

3.10 Risks Factors

To the best of the Directors' knowledge and belief, as at the Latest Practicable Date, all risk factors which are material in making an informed decision in relation to the Proposed Diversification have been set out below.

Any of the risks described below or additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deem immaterial may also impair the Company's or the Group's business, financial condition, operations and prospects.

The risks declared below are not intended to be exhaustive and not presented in any order of importance. New risk factors may emerge from time to time and it is not possible for the management to predict all risk factors, nor can the Company assess the impact of all factors on the New Business or the extent to which any factor or combination of factors may affect the New Business.

Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on how to cast their votes at the EGM. The risks set out below are the material risks which the Group faces following the Proposed Diversification. If any of the following considerations, risks or uncertainties develop into actual events, the business, financial condition, results of operations, cash flow and prospects of the Group may be materially and adversely affected. In that event, the market price of the Shares may decline, and Shareholders may lose all or part of their investments in the Shares.

Shareholders should consider the risk factors in light of your own investment objectives and financial circumstances and should seek professional advice from your accountants, stockbrokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

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There may also be other risks associated with the entry into the New Business which are not presently known to the Group, or that the Company may currently deem immaterial and as such, have not been included in the discussion below.

- (a) The Group does not have any proven track record in the New Businesses and may be dependent on qualified personnel to manage the New Businesses

As the Group does not have a proven track record in the New Businesses, there is no assurance that the New Businesses will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital costs arising from the New Businesses.

The Group's ability to successfully diversify into the New Businesses is dependent upon its ability to adapt its knowledge and expertise to understand and navigate the New Businesses. As the New Businesses are a new area of business to the Company, the Company will face the usual risks, uncertainties and problems associated with the entry into any of the New Businesses which it has no prior experience or track record in. These risks, uncertainties and problems include the inability to manage the operations and costs, the failure to attract and retain users, and the failure to provide the results, the level of revenue and margins the Company is expecting.

The Group may be dependent on partners to jointly undertake the contracts coming within the New Businesses. The Company cannot guarantee that it will not experience initial operational difficulties or disputes with its investment partners or that its operations will achieve the expected level of revenue and profitability. The growth of the New Businesses will be dependent on the Group's ability to identify, recruit, train and retain qualified management and employees to form a strong team with the requisite technical expertise to oversee and execute the operations of the New Businesses. The competition for qualified personnel in the New Businesses may be intense, and there is no assurance that the Group will be able to retain such qualified personnel. The loss of services of one or more of such individuals without adequate replacement, or the inability to attract qualified personnel at a reasonable cost could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may also appoint third party professionals and/or enter into partnerships with third parties to assist in undertaking the New Businesses more effectively and efficiently. However, there is no assurance that these third parties will be able to deliver and/or that these partnerships will be successful. Accordingly, the Group may not be able to successfully implement the New Businesses and this may adversely affect the Group's financial performance and profitability.

- (b) The Group is subject to various government regulations in the New Businesses and may need various licenses and permits to operate and the non-renewal, non-granting or suspension of its licenses and permits may affect its operations, financial performance, and financial condition

The New Businesses are exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group or its business partners operate and the countries or industries its clients operate. The New Businesses may require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time.

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The Group will obtain all licences and permits required for the New Businesses as and when the Group has identified any specific projects for the New Businesses in the relevant geographical territory. There can be no assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the New Businesses and/or in the interruption of its operations and may have a material adverse effect on its business.

The licences and permits required for the New Businesses are generally subject to conditions stipulated therein and/or the relevant laws or regulations under which such licences and permits are issued. Failure to comply with such conditions could result in non-renewal, non-granting or suspension of the relevant licence or permit. As such, the Group will have to constantly monitor and ensure compliance with such conditions. Should there be any failure to comply with such conditions resulting in the cancellation, revocation or non-renewal of any of the licences and permits, the Group may not be able to carry out its operations. In such event, its operations, financial performance and financial condition will be materially and adversely affected. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

- (c) The Group may not be able to develop products or services in the New Businesses that can timely respond to rapid technological changes and evolving market trends or prevail as de facto standards

The New Businesses are characterised by rapid technological changes and evolving trends and the New Businesses will depend partially on the ability to continuously identify, develop, acquire, protect or license advanced and new technologies that are emerging rapidly. In addition, preferences resulting from market trends and technological developments will require the Group to continuously face the challenge of developing and introducing viable and innovative new products or services. In addition, The Group may not be able to predict with reasonable accuracy the future demand and new technologies that will be available to meet such demand. In cases where the technology developed or provided by the Group is not recognised as the de facto technology standard and does not lead the market, the Group may lose its competitiveness in new markets and the Group's business, operating results and financial condition could be adversely affected.

The Group may be unable to develop and introduce new products or services in response to rapid technological changes in a timely manner, or at all. Failure to keep pace with changes or to respond to such technologies or trends in a timely and cost-effective manner could render the New Businesses obsolete and unappealing, thereby adversely affecting the Group's business, operational results and business prospects.

While the Group may differentiate its product or service offerings in the New Businesses, for example, through the offering of premium or innovative products and services, there can be no assurance that the technology in these products and services will be competitive or that demand will materialize in a way that allows us to recoup the Group's investment in the New Businesses. Furthermore, the Group's products and services in the New Businesses may lose their relative competitiveness if the Group's competitors in the New Businesses introduce disruptive product innovations to the markets in which the Group operates, resulting in reduced demand for the Group's products and services.

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- (d) Policy changes and substantial reduction or elimination of government subsidies and economic incentives for the New Businesses may adversely affect the Group

The New Business is vulnerable to policy changes implemented by the relevant authorities in jurisdictions in which the Group operates. The early stages of New Businesses will require focus on securing the requisite permits, approvals and financing. During this time, there is uncertainty as to whether the desired business activity will fit into the current policy regime and whether there will be further amendment to the policy which may impact the legality or feasibility of the desired business activity.

Many jurisdictions are turning to tax relief to promote green energy sources, such as solar power, for power generation and have adopted the same or substantially the same model of offering such incentives. Government support for green energy investments comes in a wide variety of tax incentives including but not limited to credits, grants, tax holidays, accelerated depreciation and non-tax incentives. As such, the growth of substantially all of the target markets for green energy power applications usually depends on the availability and size of government subsidies and economic incentives. In the event that the governments of countries in which the Group may undertake its Green Energy Business substantially reduce or eliminate these government subsidies and economic incentives, it will likely reduce the size of these markets, result in decreased demand for green energy products and result in increased price competition, which may adversely affect the Group's results of operations.

- (e) The Group may face intense competition from existing competitors and new market entrants in the New Businesses

The New Businesses are highly competitive, with strong competition from established industry participants who may have larger financial resources, command greater market share and/or longer operating histories and stronger track records. If the Group does not compete effectively, the Group may suffer from loss of customers and its business, results of operations, financial conditions or business prospects could be materially and adversely affected as a result. The Group's competitors in the New Businesses may be well-established companies that have advantages in obtaining financial resources, recruiting talents and broadening customers base in comparison with the Group. As a result, such competitors may be able to respond more quickly and effectively to new or changing technological advances and opportunities, regulatory requirements or customers' demands and preferences than the Group. There is no assurance that the Group will be able to provide comparable services and/or lower prices to compete effectively or respond more quickly to market trends than potential or existing competitors. If so, the Group's business operations, financial performance and financial condition may be adversely affected.

In addition, the Group may face greater than expected downward pricing pressure as a result of possible price competition by certain leading companies in the New Businesses seeking to stimulate demand in order to increase market share. Those leading companies can devote significantly greater resources than the Group can to the development, promotion and sales of their products and services and have the ability to initiate or withstand substantial price competition. Pricing pressures and increased competition could result in reduced sales and revenue, reduced margins and loss of, or a failure to maintain or improve, the Group's competitive market position, any of which could materially and adversely affect the Group's business, results of operations, financial conditions and business prospects

Competitors of the New Businesses may develop technologies and products which compete with the Group's technologies and products in the New Businesses. Such competing technologies and products may prove to be more effective or less costly than the New Businesses' products. The Group may not be as responsive as its competitors in adapting to the changes to the industry. There can be no assurance that the Group's products will be competitive against the products of competitors.

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- (f) The Group may not be able to identify and secure new contracts to grow or develop the New Business

The performance and success of the New Business depends on the Group's ability to identify profitable contracts and following such identification, to successfully implement and complete such contracts. This ability may be negatively affected by various factors, including, amongst others, changes to the general economic conditions in countries where the Group intends to operate its New Business. There is thus no guarantee that the Group will always be successful in identifying suitable contracts or completing such contracts profitably.

- (g) The Group may not be able to attract and retain highly skilled personnel with the relevant skill sets for the New Businesses

There can be no assurance that the Group will be able to attract and retain suitable individuals with the appropriate qualifications, skill sets and experience to set up and manage the New Businesses and to be able to compete effectively with existing and future competitors. If the Group is unable to attract, motivate and/or retain the necessary highly skilled personnel, there may be a material adverse impact on the performance of the New Businesses. While the Group may appoint third-party professionals and consultants to assist in its management of the New Businesses, there is no guarantee that these third-party professionals and/or consultants will be able to deliver or perform satisfactorily.

- (h) Future acquisitions, joint ventures or investments may expose the Group to increased risks

Following the Proposed Diversification, the Group may, as a matter of business strategy, invest in or acquire other entities in the New Businesses, or enter into joint ventures or other investment structures in connection with the New Businesses.

Acquisitions that the Group may undertake, along with potential joint ventures and other investments, may expose the Group to additional business and operating risks and uncertainties, including but not limited to the following:

- (i) the direct and indirect costs in connection with such transactions;
- (ii) the inability to effectively integrate and manage the acquired businesses;
- (iii) the inability of the Group to exert control over the actions of its joint venture partners, including any non-performance, default or bankruptcy of the joint venture partners;
- (iv) the inability of the Group to exert control over strategic decisions made by these companies;
- (v) the time and resources expended to coordinate internal systems, controls, procedures and policies;
- (vi) the disruption in ongoing business and diversion of management's time and attention from other business concerns;
- (vii) the risk of entering markets in which the Group may have no or limited prior experience;
- (viii) the potential loss of key employees and customers of the acquired businesses;
- (ix) the risk that an investment or acquisition may reduce the Group's future earnings; and
- (x) exposure to unknown liabilities.

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The Group may invest in quoted and/or unquoted securities of companies that are in the early stages of development and have high growth potential in the New Businesses. While these investments may present greater opportunities for growth, they may also involve greater business risks than is customarily associated with more established companies and there can be no assurance that the original investment amounts will not be written off partially or in entirety.

Where the Group undertakes the New Businesses by investing in unquoted securities, such investments in unlisted companies may result in greater investment realisation risks as there are limited avenues available to the Group to divest investments in unlisted companies. One avenue to realise investments in unlisted companies is by way of an initial public offering, however, there can be no assurances that all or any of the investee companies would be able to comply with or meet the regulatory requirement(s) necessary to achieve an initial public offering. Even if the investee companies are able to undertake an initial public offering, the securities held by the Group may be subject to certain regulatory restrictions, including the requirement to retain a certain level of shareholding in the investee company for a certain period of time. Hence, there can be no assurance that the Group will be able to successfully realise its investments in unlisted companies by way of an initial public offering.

Mismanagement of any investee company of the Group in the New Businesses, if any, may be beyond the control of the Group. Such mismanagement may adversely affect the financial performance of the investee company, which may in turn affect the returns on the Group's investments. The impact of any negative publicity or announcements relating to such mismanagement of the investee company may also be extended to the Group's reputation, whether or not it is justified, and ultimately the value of the Shares.

If the Group is unable to successfully implement its acquisition or expansion strategy or address the risks associated with such acquisitions or expansions, or if the Group encounters unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired entities and the expansion of operations, the Group's growth and ability to compete may be impaired, the Group may fail to achieve acquisition synergies and be required to focus resources on integration of operations, rather than on its business. This will have a negative impact on the financial performance of the Group.

Furthermore, if the Group is expected to rely on its business partners in its foray into the Proposed Diversification and there is a risk that if any of its business partners is unable to, or for any other reason does not, deliver its obligations or commitments under the joint venture (such as failure to perform according to the expertise expected of the business partner or meet the financial obligations), it may result in additional costs to the Group.

Activities to expand its operations may also bring the Group into contact, directly or indirectly, with new entities or new markets. These business activities expose the Group to new and enhanced risks including reputation risks arising from dealing with a range of new counterparties, along with these activities bring exposure to the range of risks described in this Circular. If these risks materialise the business, financial condition, results of operations and prospects of the Group will be materially and adversely affected.

- (i) To finance the Group's expansion into the New Businesses, the Group may need to obtain additional equity

Additional equity fundraising may result in a dilution to the Shareholders. If such additional equity fundraising activities do not generate a commensurate increase in earnings, the Company's EPS may be diluted, and may result in a decline in Share price. It may also limit the Company's ability to pay dividends.

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The ability to obtain external financing is subject to a variety of uncertainties, including future financial conditions, results of operations, cash flows, share price performance, liquidity of international capital and lending markets.

Any inability to secure adequate financing may adversely affect the Company's business, financial condition, results of operations and prospects.

(j) The products and services in the New Businesses may experience unexpected system failure, interruption, inadequacy or data leakage

The technological infrastructure in the New Businesses may encounter disruptions or other outages caused by problems or defects in the Group's own technologies and systems, such as malfunctions in the green energy and AI technologies or network disruptions, and by physical damages from fires, floods, earthquakes and other natural disasters, maintenance failures, telecommunication failures, power loss, human error or other accidents.

The Group's infrastructure and systems in the New Businesses may be breached if any vulnerabilities therein are exploited by unauthorised third parties. There is no assurance that any applicable recovery system, security guidance, network protection technologies or other control mechanisms in place are, or will be, adequate and effective to prevent such exploitation, failures, damages and unexpected events that caused disruption to the Group's products and services in the New Businesses. It may be difficult for the Group to respond to such exploitation, failures, damages and events leading to disruption of the Group's products and services in the New Businesses in a cost-effective and timely manner. Further, any actual or perceived service breakdown or security breach may damage the Group's reputation and expose the Group to risks of litigation and liabilities. The Group may be required to expend significant capital and other resources to alleviate problems caused by such service breakdowns or security breaches in the New Businesses. Consequently, the Group's brand reputation, results of operations and financial conditions could be materially and adversely affected.

(k) The Group is subject to risks associated with the operation of businesses outside of Singapore

The Group does not plan to restrict the Proposed Diversification to any specific geographical market. As such, there are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

Furthermore, the revenue from the New Businesses may be generated from overseas markets and in foreign currencies. To the extent that the Group's revenue, purchases and operating costs are not matched in the same currency and to the extent there are timing differences between invoicing and collection of payment, as the case may be, the Group may be exposed to any unfavourable fluctuations of such currencies of the jurisdictions in which the Group will be engaging in to conduct the New Businesses, and the Group's operating results may be materially or adversely affected.

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- (l) The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

The operation of the New Businesses involves different risks and hazards which are beyond the control of the Group as well as human error, fault and negligence. The Group's operating costs for the New Businesses may increase due to business interruptions or compensations for personal injuries and replacement or repair of damaged property. While the Group believes that its insurance coverage is adequate and is in line with the practice for the New Businesses, if the Group shall incur uninsured losses or pay compensation for uninsured risks, the Group's results of operations and financial condition of the Group may be materially and adversely affected.

- (m) The Group may be exposed to reputational risks in connection with the New Businesses

Any shift in perception of the New Businesses caused by media influences, peer perceptions or otherwise, or any report which surfaces in the media relating to the New Businesses, regardless of merits, could expose the Company to reputational harm. The Group's business, financial condition, results of operations and prospects may be materially and adversely affected as a result.

If any of the above risks materialise, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

- (n) There may be increased risk of legal proceedings and in turn increasing costs

Companies in the New Businesses are, from time to time, involved in disputes or litigations based on allegations of infringement of intellectual property rights and invasion of privacy.

The New Businesses may be subject to intellectual property infringement claims or other allegations by third parties for proprietary information relating to the technologies invested in. There is no assurance that third parties will not put forward claims that the Group's New Businesses infringes upon or otherwise violates intellectual property rights which they hold, whether valid or otherwise, without our awareness. There is no assurance that purported holders of trademarks, copyrights, patents or other intellectual property rights relating to some or all aspects of the technologies, technological infrastructure or operations used by the Group's New Businesses, would not involve legal proceedings against the Group in relation to the infringement or violation of such intellectual property rights jurisdictions where the Group may operate. Defending such claims could be time-consuming and costly and could also impose a significant burden on the Group, and there can be no assurance that favourable final outcomes will be obtained in all cases. If the Group is found to have infringed or violated any intellectual property rights held by others, the Group may be subject to significant liability for such infringement or violation, including but not limited to fines, compensatory or punitive damages and injunction. As such, the Group may be restricted or prohibited from using such intellectual property rights, which may materially and adversely affect the Group's business, results of operations, financial conditions and business prospects.

There would also be additional costs in monitoring and detecting content infringement and there is also no guarantee that the risk of unauthorised content remains on the platform for a period may be fully eliminated despite best efforts in implementing sufficient internal control procedures.

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3.11 Risk Management Measures and Safeguards

The Board recognises the importance of internal controls and risk assessment for the smooth running of the New Businesses. In order to better manage the Group's external and internal risks resulting from the New Businesses, the Group will implement a set of operations and compliance procedures.

The Board does not have a separate risk committee as the Board is currently assisted by the Audit and Risk Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. The members of the Audit and Risk Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the New Businesses following the Proposed Diversification.

Where necessary, the Audit and Risk Committee will:

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

3.12 Requirements under the Catalist Rules

Pursuant to Practice Note 10A of the Catalist Rules, Shareholders' approval is not required if a transaction will result in an expansion of an issuer's existing core business, unless such transaction changes the issuer's risk profile. As the Proposed Diversification will involve new business activities, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Accordingly, an EGM will be convened by the Company to seek the Shareholders' approval to approve the Proposed Diversification.

Upon the approval by Shareholders of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the New Businesses, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may possibly, in its ordinary course of business, enter into transactions relating to the New Businesses which do not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders' approval as and when potential transactions relating to the New Businesses arise, even where they cross the threshold of a "major transaction" as defined under the Catalist Rules. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules (a) exceeds 75% but is less than 100% (for an acquisition) or (b) exceeds 50% (for a disposal or the provision of financial assistance) (each a "**Major Transaction**"), and must be made conditional upon approval by shareholders in a general meeting. As set out in Practice Note 10A of the Catalist Rules, an acquisition that is regarded to be in, or in connection with, the ordinary course of an issuer's business, is not subject to the requirements under Chapter 10 of the Catalist Rules (except for Part VIII on very substantial acquisitions or reverse takeovers). An acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if: (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Further guidelines are provided under Practice Note 10A of the Catalist Rules on what consists of "existing principal business" and "change of risk profile".

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

Notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained:

- (a) Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the Group's ordinary course of business and which results in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company. Such acquisitions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting;
- (b) Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such transactions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting;
- (c) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, unless waived by the SGX-ST; and
- (d) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such a transaction and the Company will comply with the provisions of Chapter 9 of the Catalist Rules. In particular, pursuant to Rule 905 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 3% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 3% of the Group's latest audited NTA, the Group must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. Pursuant to Rule 906 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 5% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 5% of the Group's latest audited NTA, the Group must obtain shareholder approval for the interested person transaction.

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

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

LETTER TO SHAREHOLDERS

4 THE PROPOSED YUAN SHARES ISSUANCES

4.1 Background and Rationale

As announced by the Company on 24 July 2024, the Company had entered into a sale and purchase agreement with Dreamsgame Inc. Limited (梦幻西游有限公司), Mr. Yuan and Mr. Wu Kunwei (吴坤伟) in connection with the SXNT Acquisition. Mr. Yuan is the executive director (执行董事), general manager (总经理) and legal representative (法定代表人), director (董事) and key management of SXNT. He is also one of the two founders of the SXNT and is responsible for leading the operational management and strategic development of SXNT, ensuring that SXNT achieves its strategic business goals and maintains sustained growth. Following the completion of the SXNT Acquisition, SXNT is a wholly-owned subsidiary of EFE-Sports and a wholly-owned indirect subsidiary of the Company.

As announced on 17 May 2025, the Company, SXNT and Mr. Yuan entered into the Yuan Service Agreement in relation to the employment of Mr. Yuan and the allotment and issuance of the Yuan Sign-On Shares to attract Mr. Yuan to enter into employment with SXNT and Yuan Performance Bonus Shares to achieve the Yuan Performance Bonus Targets.

Shareholders are to note that the Yuan Service Agreement shall only be effective upon the approval of the Proposed Yuan Shares Issuances at the forthcoming EGM. In the event where the Shareholders do not approve the resolution in connection with the Proposed Yuan Shares Issuances, the Yuan Service Agreement would not come into force.

Pursuant to the terms of the Yuan Service Agreement, Mr. Yuan shall be employed to serve as a full-time Chief Executive Officer of SXNT under the direction and supervision of, and reporting to, the board of directors of SXNT and the Company. While Mr. Yuan is the existing Executive Director of SXNT, he primarily oversees SXNT's daily operations, implement business strategies, and manage departmental functions. Mr. Yuan's new role as Chief Executive Officer of SXNT entails greater accountability for SXNT's financial performance and overall corporate growth of EFE-Sports, the holding company of SXNT.

Mr. Yuan has been employed to support the strategic direction of SXNT. The Yuan Sign-On Shares and Yuan Performance Bonus Shares are being issued to attract Mr. Yuan to enter into employment with SXNT. The issuance of the Yuan Performance Bonus Shares serves as a strategic incentive that will align Mr. Yuan's interests with the long-term growth and success of the Group. In addition, the performance-based structure ensures that the Yuan Performance Bonus Shares are only granted upon achievement of the specific Yuan Performance Bonus Targets, thereby reinforcing a results-oriented leadership approach by directly tying compensation to measurable business achievements, ensuring accountability and high performance.

4.2 Information on Mr. Yuan

Mr. Yuan is a citizen of the PRC and he has 18 years of professional working experience. Mr. Yuan is one of the earliest entrepreneurs in the gaming and mobile internet industry in the PRC, with deep understanding and insight into the sector. Prior to joining SXNT as the Chief Executive Officer, Mr. Yuan served as the chief executive officer of a game promotion company in Shanghai, PRC between 2020 and 2023 and a game distribution company in Shenzhen, PRC between 2016 to 2020, where he was responsible for developing and executing strategic plans to lead the company in achieving business breakthroughs and sustainable development. Mr. Yuan graduated with a Bachelor's degree in Engineering from Hunan University in the PRC.

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As at the Latest Practicable Date, Mr. Yuan is a substantial shareholder of the Company, holding 148,391,600 Shares, representing 8.78% of Existing Share Capital of the Company of 1,690,758,836 Shares. Pursuant to the terms and conditions of the SXNT Acquisition, 63,596,400 Earn-Out Consideration Shares, representing 3.76% interest in the Existing Share Capital of the Company are currently held in escrow and to be released to Mr. Yuan where SXNT achieves a net profit after tax of RMB 0.75 million (the “**SXNT NPAT Target**”) for the 12-month period up to the first anniversary of completion of the SXNT Acquisition, as described in section 2.4.4. of the Company’s circular dated 4 September 2024. In the event that the SXNT NPAT Target is not achieved, the Earn-Out Consideration Shares shall be cancelled or forfeited in accordance with the relevant applicable laws.

Mr. Yuan has confirmed that he is (a) 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 an independent third party who is unrelated to the Directors and substantial Shareholders, and (c) save for Mr. Yuan’s 148,391,600 Shares and 63,596,400 Earn-Out Consideration Shares, 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 as disclosed above in relation to Mr. Yuan being a substantial shareholder of the Company and his executive positions in SXNT, Mr. Yuan has no other connections (including any business relationships or transactions, prior to the Yuan Service Agreement) with the Company, the Directors, or the Company’s substantial shareholders.

4.3 Yuan Service Agreement

The Yuan Service Agreement shall commence with effect from the date that the Shareholders’ approval is obtained for the Proposed Yuan Shares Issuances at the EGM to be convened (the “**Effective Date**”) and such employment shall continue (subject to earlier termination as provided in Yuan Service Agreement) after the Effective Date for an initial term of three (3) years and thereafter shall automatically continue from year to year unless terminated in accordance with the Yuan Service Agreement.

Shareholders are to note that the Yuan Service Agreement shall only be effective upon the approval of the Proposed Yuan Shares Issuances at the forthcoming EGM. In the event where the Shareholders do not approve the resolution in connection with the Proposed Yuan Shares Issuances, the Yuan Service Agreement would not come into force.

The Yuan Service Agreement may be terminated by either party giving the other not less than three (3) months’ written notice without any reason being assigned for such termination and without any compensation for such termination, or may agree to payment of three (3) months’ salary-in-lieu of such notice. The parties may by mutual agreement waive or vary the notice requirement. SXNT may also terminate the Yuan Service Agreement upon the occurrence of certain events such as if Mr. Yuan commits any material or repeated breach of any of the provisions of the Yuan Service Agreement, is guilty of fraud, dishonesty or serious misconduct, ceases to hold an employment pass to work for SXNT (if required), becomes bankrupt or becomes prohibited by law or a regulatory body from being an employee or a director of any company, firm or entity. Upon termination of Yuan Service Agreement, Mr. Yuan shall, upon the request of SXNT, resign from all offices held in SXNT and shall deliver to SXNT, in proper order and condition, all books, documents, papers, materials and any other property or assets relating to the business or affairs of SXNT or its subsidiaries which may be in Mr. Yuan’s possession or control.

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4.4 Yuan Sign-On Shares

Pursuant to the Yuan Service Agreement, the Company shall, subject to the Company receiving the relevant approval(s) from the Shareholders and the SGX-ST, grant to Mr. Yuan such number of new Shares representing 2.07% of the Existing Share Capital of the Company as at the date of the Yuan Service Agreement (the “**Yuan Sign-On Shares Allocation**”), being 35,000,000 new Shares or such number of Shares representing the Yuan Sign-On Shares Allocation as may be agreed between the parties in writing on a date to be mutually agreed by the parties.

The issue price for the Yuan Sign-On Shares represents a 9.5% premium to the volume weighted average price of the Company’s Shares on 16 May 2025 of S\$0.021, being the full market day on which Shares were traded on the date of execution of the Yuan Service Agreement and takes into account the rationale for the Proposed Yuan Shares Issuances as set out in section 4.1 above, the prevailing market conditions and the recent share prices of the Company.

The Yuan Sign-On Shares, when allotted and issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the allotment and issuance of Yuan Sign-On Shares.

There is no moratorium imposed on the Yuan Sign-On Shares. The Yuan Sign-On Shares are being issued to attract Mr. Yuan to enter into employment with the Company and accordingly, no cash proceeds will be received by the Company from Mr. Yuan.

Following the completion of the allotment and issuance of the Yuan Sign-On Shares, assuming that the SXNT NPAT Target is achieved and the Earn-Out Consideration Shares are released, Mr. Yuan will hold 246,988,000 Shares representing 14.26% of the enlarged share capital of the Company of 1,731,915,900 Shares following the completion of the allotment and issuance of Yuan Sign-On Shares, ECA Shares, Ali Shares and Icon Shares.

For the avoidance of doubt, the Yuan Sign-On Shares and the Yuan Performance Bonus Shares as set out below are separate from the Earn-Out Consideration Shares currently held in escrow.

4.5 Yuan Performance Bonus Shares

Pursuant to the Yuan Service Agreement, Mr. Yuan shall be entitled to receive a performance bonus (the “**Yuan Performance Bonus**”) from time to time during the period of three (3) financial years commencing from the financial year ended 31 December 2025 (“**FY2025**”), provided that the total aggregate (a) amount of management fees received by the Company from SXNT and EFE-Sports on a consolidated basis for each financial year and (b) the NPAT of SXNT and/or EFE-Sports attributable to the Company in respect of each financial year, shall be at least S\$500,000 (the “**Yuan Performance Bonus Targets**”). The Company shall set the Performance Bonus Targets for Mr. Yuan at the commencement of each financial year and the achievement of the Performance Bonus Targets shall be determined by the Company and EFE-Sports within four (4) months from the end of each financial year.

The Yuan Performance Bonus for each financial year shall be equivalent in value to the aggregate sum of (a) the management fees received by the Company from SXNT and EFE-Sports on a consolidated basis for each financial year and (b) the audited NPAT of SXNT and/or EFE-Sports attributable to the Company for each relevant financial year, subject to a cap of S\$3,000,000 of Performance Bonus for each financial year.

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The Board shall have the sole discretion, taking into consideration the Company's Remuneration Committee's recommendations, to determine the portion of the Yuan Performance Bonus under the Yuan Service Agreement to be satisfied in cash and/or in Shares. If any part of the Yuan Performance Bonus shall be paid in Shares, the issue price of the Yuan Performance Bonus Shares shall be fixed at S\$0.023 per Yuan Performance Bonus Share ("**Yuan Performance Bonus Share Issue Price**").

The Yuan Performance Bonus Shares Issue Price represents a 9.5% premium to the volume weighted average price of the Company's Shares on 16 May 2025 of S\$0.021, being the full market day on which Shares were traded on the date of execution of the Yuan Service Agreement and takes into account the rationale for the Proposed Yuan Shares Issuances as set out in section 4.1 above, the prevailing market conditions and the recent share prices of the Company.

The Yuan Service Agreement further provides that the parties agree that the Company and/or SXNT will scale down the number of Yuan Performance Bonus Shares to avoid placing Mr. Yuan and parties acting in concert (as defined under the Code with him (if any) in the position of incurring a mandatory general offer obligation under the Code as a result of the allotment and issuance of the Yuan Performance Bonus Shares. For the avoidance of doubt, the issuance of the Performance Bonus Shares shall not be intended or construed to result in a change of control or transfer of controlling interest in the Company and the Board shall have the discretion to make all necessary adjustments to the Performance Bonus to ensure compliance with this intention.

Further, to be eligible to receive the Yuan Performance Bonus, Mr. Yuan must still be employed by SXNT on the relevant payment dates and must not have, at such relevant payment date, either given or received notice of termination of employment for any reason whatsoever.

The Yuan Performance Bonus Shares, when allotted and issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the allotment and issuance of the Yuan Performance Bonus Shares.

There is no moratorium imposed on the Yuan Performance Bonus Shares. As set out in section 4.1 above, the Yuan Performance Bonus Shares are being issued to attract Mr. Yuan to as a strategic initiative to achieve the relevant Yuan Performance Bonus Targets and accordingly, no cash proceeds will be received by the Company from Mr. Yuan.

In the event where the Yuan Performance Bonus Targets are achieved for each of the three (3) financial years and assuming that the Yuan Performance Bonus is fully paid in Shares, a minimum of approximately 65,217,391 Yuan Performance Bonus Shares ("**Minimum Yuan Performance Bonus Shares**") and a maximum of 391,304,348 Yuan Performance Bonus Shares ("**Maximum Yuan Performance Bonus Shares**") would be allotted and issued to satisfy the Yuan Performance Bonus in full for the three financial years up until 31 December 2027.

Minimum Yuan Performance Bonus Shares Issued

For illustrative purposes, the table below sets out the shareholding for each financial year end following the completion of the allotment and issuance of Yuan Sign-On Shares, Minimum Yuan Performance Bonus Shares, ECA Shares, Ali Shares and Icon Shares assuming that (a) the SXNT NPAT Target is achieved and the respective Earn-Out Consideration Shares are released to Mr. Yuan, (b) the minimum Yuan Performance Bonus Targets are met for each financial year and the Yuan Performance Bonus for each financial year is satisfied fully in Shares, (c) Mr. Yuan is not acting in concert with any other parties, and (d) there are no other share allotment and issuances undertaken by the Company during the three (3) financial years.

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Financial Year ended	Minimum Yuan Performance Bonus Shares Issued	Company's enlarged share capital	Mr. Yuan's resultant number of Shares	Mr. Yuan's resultant shareholding
31 December 2025	21,739,130	1,753,655,030	268,727,130	15.32%
31 December 2026	21,739,130	1,775,394,161	290,466,261	16.36%
31 December 2027	21,739,130	1,797,133,291	312,205,391	17.37%

Maximum Yuan Performance Bonus Shares Issued

For illustrative purposes, the table below sets out the shareholding for each financial year end following the completion of the allotment and issuance of Yuan Sign-On Shares, Maximum Yuan Performance Bonus Shares, ECA Shares, Ali Shares and Icon Shares assuming that (a) the SXNT NPAT Target is achieved and the respective Earn-Out Consideration Shares are released to Mr. Yuan, (b) the maximum Yuan Performance Bonus Targets are met for each financial year and the Yuan Performance Bonus for each financial year is satisfied fully in Shares, (c) Mr. Yuan is not acting in concert with any other parties, and (d) there are no other share allotment and issuances undertaken by the Company during the three (3) financial years.

Financial Year ended	Maximum Performance Bonus Shares Issued	Company's enlarged share capital	Mr. Yuan's resultant number of Shares	Mr. Yuan's resultant shareholding %
31 December 2025	130,434,783	1,862,350,683	377,422,783	20.27%
31 December 2026	130,434,783	1,992,785,465	507,857,565	25.48% ⁽¹⁾
31 December 2027	130,434,783	2,123,220,248	638,292,348	30.06% ⁽²⁾⁽³⁾

Note:

- (1) The resultant shareholding of Mr. Zhu, the single largest Shareholder of the Company, will be diluted to 25.37% and thereby resulting in a transfer of a "controlling interest" which would require specific Shareholders' approval pursuant to Rule 803 of the Catalyst Rules. Please refer to section 4.6 below in relation to the potential transfer of controlling interest.
- (2) The resultant shareholding of Mr. Zhu, the single largest Shareholder of the Company, will be diluted to 23.81% and thereby resulting in a transfer of a "controlling interest" which would require specific Shareholders' approval pursuant to Rule 803 of the Catalyst Rules. Please refer to section 4.6 below in relation to the potential transfer of controlling interest.
- (3) As Mr. Yuan's resultant shareholding following the allotment and issuance of the Maximum Performance Bonus Shares for the financial year ended 2027, will result in Mr. Yuan carrying 30% or more of the voting rights of the Company, the Company will scale down Mr. Yuan's Performance Bonus Shares to avoid placing Mr. Yuan from being in a position of incurring a mandatory general offer obligation under the Code.

4.6 Potential Transfer of Controlling Interest

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

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As illustrated in the tables in section 4.5 above for both scenarios, assuming that (a) the SXNT NPAT Target is achieved and the respective Earn-Out Consideration Shares are released to Mr. Yuan, (b) the minimum or maximum Yuan Performance Bonus Targets are met for each financial year and the Yuan Performance Bonus for each financial year is satisfied fully in Shares, (c) Mr. Yuan is not acting in concert with any other parties, and (d) there are no other share allotment and issuances undertaken by the Company during the three financial years, Mr. Yuan's resultant shareholding of the enlarged share capital following the allotment and issuance of the Yuan Sign-On Shares, Yuan Performance Bonus Shares, ECA Shares, Ali Shares and Icon Shares would exceed 15% and Mr. Yuan will accordingly be deemed to be a controlling shareholder of the Company.

With regards to the scenario where the Maximum Yuan Performance Bonus Shares are allotted and issued for financial year ended 31 December 2026 and 31 December 2027, the resultant shareholding of Mr. Zhu, the single largest Shareholder of the Company, will be diluted to 25.37% and 23.81%, respectively and he will cease to be the single largest Shareholder of the Company, thereby resulting in a transfer of a "controlling interest" which would require specific Shareholders' approval pursuant to Rule 803 of the Catalist Rules.

As stated in section 4.5 above, the Yuan Service Agreement provides that the Board shall have the sole discretion, taking into consideration the Company's Remuneration Committee's recommendations, to determine the portion of the Yuan Performance Bonus under the Yuan Service Agreement to be satisfied in cash and/or in Shares. The Board (with Mr. Zhu abstaining) may therefore determine whether the Yuan Performance Bonus shall be satisfied partly in cash and Shares such that the Proposed Yuan Shares Issuances would not result in a transfer of a "controlling interest" which would require specific Shareholders' approval pursuant to Rule 803 of the Catalist Rules. In the event where the Board determines that the Yuan Performance Bonus shall be paid fully in Shares, the Company will need to convene an EGM to obtain Shareholder approval in respect of the proposed transfer of controlling interest for the Proposed Yuan Shares Issuances to proceed.

Save for the scenario where the Maximum Yuan Performance Bonus Shares are allotted and issued for financial year ended 31 December 2026 and 31 December 2027, the completion of the Proposed Shares Issuances will only result in the addition of a controlling shareholder by virtue of Mr. Yuan's shareholding exceeding 15% and Mr. Zhu will remain as the single largest Shareholder of the Company. Accordingly, the Proposed Yuan Shares Issuances would not result in the transfer of a "controlling interest" which would require specific Shareholders' approval pursuant to Rule 803 of the Catalist Rules.

The Company will make further announcements as appropriate to update Shareholders on the achievement of the Yuan Performance Bonus Targets and the payment of the Yuan Performance Bonuses.

4.7 Authority for Proposed Yuan Shares Issuances

Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules

Under Section 161 of the Companies Act and pursuant to Rule 805(1) of the Catalist Rules, an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer except where a general mandate for such issue has been previously obtained from shareholders in a general meeting.

The Company will not be relying on the General Mandate for the Yuan Sign-On Shares and the Yuan Performance Bonus Shares and accordingly, the Company will be convening the EGM to seek Shareholders' approval for the issuance of the Subscription Shares under the Proposed Subscription pursuant to Section 161 of the Companies Act and Rule 805(1) of the Catalist Rules.

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Subject to the Company obtaining Shareholder's approval for the Proposed Yuan Shares Issuances, the Company will make an application to the SGX-ST for the listing and quotation of the Yuan Sign-On Shares following the conclusion of the EGM and the Yuan Performance Bonus Shares on the Catalist after the Company determines that the Yuan Performance Bonus Targets have been achieved for each of the respective years, and makes the relevant announcement(s) in relation to the achievement of the Yuan Performance Bonus Targets and the payment of the Yuan Performance Bonus.

Rule 812(1) of the Catalist Rules

Rule 812 of the Catalist Rules provides that an issue of securities must not be placed to, *inter alia*, an issuer's directors and substantial shareholders unless specific shareholder approval for such placement has been obtained, with such directors and substantial shareholders and their associates abstaining from voting on the shareholders' resolution to approve such placement.

Mr. Yuan falls under the class of restricted persons as specified in Rule 812(1) of the Catalist Rules. Accordingly, the Company will be convening the EGM to seek Shareholders' approval for the Proposed Yuan Shares Issuances pursuant to Rule 812(2) of the Catalist Rules.

In accordance with Rule 812(2) of the Catalist Rules, Mr. Yuan will abstain from voting on or being appointed as proxies and his associates (if any) will abstain from voting on or being appointed as proxies, in connection with the Proposed Yuan Shares Issuances.

Shareholders are to note that the Yuan Service Agreement shall only be effective upon the approval of the Proposed Yuan Shares Issuances at the forthcoming EGM. In the event where the Shareholders do not approve the resolution in connection with the Proposed Yuan Shares Issuances, the Yuan Service Agreement would not come into force.

4.8 Opinion of the Board in connection with Yuan Performance Bonus and the Proposed Yuan Shares Issuances

The management fees received by the Company relate to the management support and advisory services provided by the Company to SXNT and EFE-Sports. These services aim to enhance the operational efficiency and profitability of SXNT. EFE-Sports, as the direct holding company of SXNT, plays a crucial role in overseeing and supporting SXNT's business strategies. Since management fees, may be processed through EFE-Sports, its financial performance is included in the Yuan Performance Bonus performance matrix. This ensures a more comprehensive assessment of Mr. Yuan's contributions by capturing both SXNT's direct financial results and EFE-Sports' broader profitability at the Group's business segment level.

While the management fees stem from the management support and advisory services to be provided by the Company, the inclusion of such fees as a component to the Yuan Performance Bonus performance matrix recognises Mr. Yuan's instrumental role in translating these strategic directives into tangible financial success. As the proposed Chief Executive Officer of the SXNT, Mr. Yuan will be responsible for executing the strategies and initiatives formulated by the Company and/or EFE-Sports, driving operational performance and ensuring sustainable growth within this business segment. Mr. Yuan's leadership directly influences this business segment's profitability, which impacts the revenues and earnings of both EFE-Sports and the Company. Given the interconnected nature of these financial outcomes within this business segment, structuring the Yuan Performance Bonus to the consolidated management fees received by the Company as well as the audited NPAT of SXNT and/or EFE-Sports attributable to the Company, ensures that Mr. Yuan's incentives are aligned with the long-term success of the entire Group structure.

The Board has weighed the benefits against the potential costs to the Company as elaborated above and is of the view that the Proposed Yuan Shares Issuances is beneficial to and in the interests of the Company and its Shareholders and enables the Group to improve its working capital position while conserving its cash resources as the Company would not have to bear a higher cash component in Mr. Yuan's compensation package.

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The Board further notes that granting Mr. Yuan the Yuan Performance Bonus equivalent to the Yuan Performance Bonus Targets achieved by SXNT, aligns his incentives with SXNT's financial performance, which contributes to the overall success of the Group. Unlike a percentage-based bonus structure, linking the Yuan Performance Bonus to the actual amount of management fees received from SXNT and/or the audited NPAT of SXNT ensures a clear, transparent and performance-driven incentive mechanism which fully rewards Mr. Yuan for his efforts in driving SXNT's success and profitability while maintaining a predefined cap to safeguard shareholder interests. Additionally, issuing the Yuan Performance Bonus in Shares conserves the Group's cash resources and reinforces Mr. Yuan's confidence in the Company's long-term success.

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 sufficient to meet its present requirements.

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities and that no cash proceeds will be received by the Company from the Proposed Share Issuances, as at the Latest Practicable Date, the working capital available to the Group will be sufficient to meet its present requirements.

4.9 Financial Effects of the Proposed Shares Issuances and the Proposed EFM CN Subscription

The financial effects of the Proposed Shares Issuances and the Proposed EFM CN 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 Shares Issuances and the Proposed EFM CN Subscription.

The financial effects of the Proposed Shares Issuances and the Proposed EFM CN Subscription on the Group have been computed based on the latest audited consolidated financial statements of the Group for FY2024 and the following bases and assumptions:

- (a) the share capital of the Company as at the date of this announcement comprising 1,690,758,836 Shares for the purposes of illustrating the financial effects on the Group's issued and paid-up share capital;
- (b) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Shares Issuances and the Proposed EFM CN Subscription was completed on 31 December 2024;
- (c) the financial effect on the consolidated EPS is computed based on the assumption that the Proposed Shares Issuances and the Proposed EFM CN Subscription was completed on 1 January 2024;
- (d) assuming that the SXNT NPAT Target is achieved, and the Earn-Out Consideration Shares are released in accordance with the terms and conditions of the sale and purchase agreement for the SXNT Acquisition;
- (e) where the minimum Yuan Performance Bonus of S\$500,000 is granted for each of the three (3) financial years and assuming that the Yuan Performance Bonus is fully paid in Shares, 65,217,391 Yuan Performance Bonus Shares will be allotted and issued to Mr. Yuan (the "**Minimum Scenario**");
- (f) where the maximum Yuan Performance Bonus of S\$3,000,000 is granted for each of the three (3) financial years and assuming that the Yuan Performance Bonus is fully paid in Shares, 391,304,348 Yuan Performance Bonus Shares will be allotted and issued to Mr. Yuan (the "**Maximum Scenario**");
- (g) the Yuan Sign-On Shares, Yuan Performance Bonus Shares and the General Mandate Issuances (namely, the ECA Shares, Ali Shares and Icon Shares) are allotted and issued concurrently;

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- (h) the Company subscribes for 104,080 new EFM CN Shares for a total subscription price of S\$104,080 and Mr. Zhu subscribes for 100,000 new EFM CN Shares for a total subscription price of S\$100,000, pursuant to the Proposed EFM CN Subscription; and
- (i) the transaction costs incurred for the Proposed Yuan Shares Issuances are insignificant and ignored for computational purposes.

Share Capital

	Minimum Scenario		Maximum Scenario	
	Number of Shares	S\$ ('000)	Number of Shares	S\$ ('000)
Issued and paid-up share capital (excluding treasury shares)	1,690,758,836	62,846	1,690,758,836	62,846
Add: Number of Yuan Sign-On Shares	35,000,000	805	35,000,000	805
Add: Number of Yuan Performance Bonus Shares	65,217,391	1,500	391,304,348	9,000
Add: Number of ECA Shares	2,630,887	50	2,630,887	50
Add: Number of Ali Shares	3,000,000	63	3,000,000	63
Add: Number of Icon Shares	526,177	10	526,177	10
Enlarged issued and paid-up share capital after the Proposed Shares Issuances (excluding treasury shares)	1,797,133,291	65,274	2,123,220,248	72,774

NTA per Share

	Before the Proposed Share Issuances and the Proposed EFM CN Subscription	After General Mandate Issuances and Prior to the Proposed EFM CN Subscription and the Proposed Yuan Shares Issuances	After General Mandate Issuances and the Proposed EFM CN Subscription and Prior to the Proposed Yuan Shares Issuances	After the Proposed Share Issuances and the Proposed EFM CN Subscription	
				Minimum Scenario	Maximum Scenario
NTA of the Group as at 31 December 2024 (S\$'000)	(2,204)	(2,204)	(2,104)	(2,104)	(2,104)
Number of issued Shares ('000)	1,690,759	1,696,916	1,696,916	1,797,133	2,213,220
NTA per Share as at 31 December 2024 (Singapore cents)	(0.13)	(0.13)	(0.12)	(0.12)	(0.10)

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EPS

	Before the Proposed Share Issuances and the Proposed EFM CN Subscription	After General Mandate Issuances and Prior to the Proposed EFM CN Subscription and the Proposed Yuan Shares Issuances	After General Mandate Issuances and the Proposed EFM CN Subscription and Prior to the Proposed Yuan Shares Issuances	After the Proposed Share Issuances and the Proposed EFM CN Subscription	
				Minimum Scenario	Maximum Scenario
Net earnings attributable to equity holders of the Company for FY2024 (S\$'000)	(3,434)	(3,557)	(3,354)	(5,659)	(13,159)
Weighted average number of shares (excluding treasury shares) ('000)	981,259	987,416	987,416	1,087,633	1,413,720
EPS for FY2024 (Singapore cents)	(0.35)	(0.36)	(0.34)	(0.52)	(0.93)

5 RATIFICATION OF THE 4Q2024 ZH LOAN AGREEMENTS AS INTERESTED PERSON TRANSACTIONS

5.1 Background and Rationale

As announced by the Company on 24 July 2024, Mr. Zhu, pursuant to the subscription agreement dated 24 July 2024 entered into between the Company and Mr. Zhu (the “**2024 ZH Subscription Agreement**”), had undertaken to use his best endeavours to provide financial support to the Group by way of, *inter alia*, his participation in further capital fundraising exercises undertaken by the Company to ensure that the Company and the Group will be able to continue to operate as a going concern (the “**ZH Financial Support Undertaking**”).

In line with the ZH Financial Support Undertaking, Mr. Zhu entered into the 4Q2024 ZH Loan Agreements with the Company and EFM CN on 3 October 2024 and 3 December 2024, respectively, to formalise the respective parties’ mutual agreement and understanding in respect of the interest-free working capital loans extended by Mr. Zhu. The Company, EFM CN and Mr. Zhu subsequently entered into the Supplemental ZH EFM CN Loan Agreement on 16 May 2025 to amend, modify and supplement the ZH EFM CN Loan Agreement, pursuant to which it was mutually agreed that the interest-free working capital loan extended by Mr. Zhu to EFM CN shall be partially repaid through the Proposed EFM CN Subscription undertaken by Mr. Zhu.

EFM CN is a wholly-owned subsidiary of the Company with an issued and paid-up share capital of S\$1.00 comprising one EFM CN Share. Based on the management accounts of EFM CN for the financial year ended 31 December 2024, EFM CN’s net losses is S\$413,308 and the net liabilities is S\$413,307.

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As at the Latest Practicable Date, Mr. Zhu has provided working capital loans to the Group amounting to S\$2,136,000 pursuant to the 4Q2024 ZH Loan Agreements.

The Company has used its best endeavours to explore other financing options; however, in light of the present market conditions, limited financing options are available to the Group. Furthermore, the repayment terms for the 4Q2024 ZH Loans are also comparatively more beneficial than a regular term loan, which is expected to enhance the Group's cash flow position in the near term. In particular, the repayment of the ZH EFM CN Loan through the allotment and issuance of new EFM CN Shares to Mr. Zhu is intended to strengthen EFM CN's capital structure while preserving the Group's cash resources. As EFM CN is a wholly-owned subsidiary of the Company, this approach allows the Group to settle its financial obligations to Mr. Zhu without requiring an immediate cash outlay and thereby enhancing liquidity and financial flexibility. The capital injection allows EFM CN to be better positioned to commence its business operations, supporting the Group's overall strategic objectives. This structure also reinforces confidence in EFM CN's future prospects while ensuring that the Company can continue allocating its cash resources efficiently to support other strategic initiatives within the Group.

Therefore, having reviewed the terms of the 4Q2024 ZH Loan Agreements, the Board is of the view that the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFM CN Subscription are in the best interests of the Company, its minority shareholders, and EFM CN.

5.2 Information on the Lender, Mr. Zhu

In addition to his capacity as Executive Director and Chairman, Mr. Zhu is a controlling shareholder of the Company with a deemed interest of 505,500,000 Shares representing 29.90% of the existing share capital of the Company as at the Latest Practicable Date.

Accordingly, Mr. Zhu is an "interested person" of the Company and the entry into the 4Q2024 ZH Loan Agreements (as amended, modified and supplemented by the Supplemental ZH EFM CN Loan Agreement) are each an "interested person transaction" for the purposes of Chapter 9 of the Catalyst Rules.

5.3 Principal Terms of the ZH Biolidics Loan Agreement

A summary of the salient terms of the ZH Biolidics Loan Agreement is set out below:

Principal Amount	:	Mr. Zhu shall extend to the Company a loan facility in the aggregate amount of up to S\$4,000,000, to be disbursed in one or more tranches, as mutually agreed upon by both the Company and Mr. Zhu. The ZH Biolidics Loan shall have a tenure of 36 months commencing from the date of the ZH Biolidics Loan Agreement (the "Maturity Date"). As at the Latest Practicable Date, a total of S\$1,726,000 has been disbursed by Mr. Zhu to the Company pursuant to the ZH Biolidics Loan.
Purpose	:	The ZH Biolidics Loan is to be used for working capital purposes. No interest shall be payable on the ZH Biolidics Loan

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Repayment	: Amounts outstanding under the ZH Biolidics Loan Agreement as at the Maturity Date shall be repayable in three (3) equal annual instalments as follows: (a) <u>Year 1</u>: one-third (1/3) of the total outstanding balance as at the Maturity Date, shall be payable on 2 October 2028; (b) <u>Year 2</u>: one-third (1/3) of the total outstanding balance as at the Maturity Date, shall be payable on 2 October 2029; and (c) <u>Year 3 (Final payment)</u>: the remaining one-third (1/3) of the total outstanding balance as at the Maturity Date, shall be payable on 2 October 2030. Each of the events set out below is an “Event of Default” (whether or not its occurrence is caused by any person outside the control of the Company or any other person): (a) an Insolvency Event occurs in respect of the Company. In this regard, an “Insolvency Event” means the occurrence of any of the following events (save for any winding-up petition or any application which is vexatious and is discharged, stayed or dismissed within twenty-one (21) days of its commencement): (i) a petition is presented or a meeting is convened for the purpose of considering a resolution or other steps are taken by any person with the view to winding up of the Company or, placing the Company under judicial management; (ii) the Company resolving to wind itself up or otherwise dissolve itself; (iii) the appointment of a liquidator or provisional liquidator in respect of the Company; (iv) a judicial manager being appointed in respect of the Company or the Company’s assets; (v) the Company entering into a scheme of arrangement or composition with or assignment for the benefit of all or any class of its creditors; or (vi) the appointment of a receiver or receiver and manager over the Company or any of its assets;
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LETTER TO SHAREHOLDERS

	(b) any representation, warranty or statement made or deemed to be made by the Company in the ZH Biolidics Loan Agreement or in any notice or other document, certificate or statement delivered by it pursuant to, or in connection with, the ZH Biolidics Loan Agreement is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, unless the circumstances giving rise to the misrepresentation are: (i) capable of remedy; and (ii) remedied within ten (10) business days of the earlier of the Company or Mr. Zhu becoming aware of the misrepresentation; (c) the Company fails duly to perform or comply with any undertaking or other obligation owed or assumed by it under the ZH Biolidics Loan Agreement and, if any such non-performance or non-compliance is, in the opinion of Mr. Zhu, capable of remedy, it is not remedied to the satisfaction of Mr. Zhu within ten (10) business days after Mr. Zhu has given notice to the Company of such non-performance or non-compliance; or (d) it is or becomes unlawful for the Company to perform any of its obligations under the ZH Biolidics Loan Agreement which the Mr. Zhu, acting reasonably, considers material. Mr. Zhu may at any time, if an Event of Default has occurred which has not been remedied or waived, do any one or more of the following by notice in writing to the Company: (a) declare any part of the ZH Biolidics Loan (and any accrued interest if any) to be immediately due and payable, whereupon the same will become immediately due and payable by Mr. Zhu to the Company; and/or (b) cancel the ZH Biolidics Loan in part pro rata or in full, whereupon the same will be so cancelled and, if cancelled in full, immediately reduced to zero.
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5.4 Principal Terms of the ZH EFMCN Loan Agreement

A summary of the salient terms of the ZH EFMCN Loan Agreement (as amended, modified and supplemented by the Supplemental ZH EFMCN Loan Agreement) is set out below:

Principal Amount	:	Mr. Zhu shall extend to EFMCN a loan facility in the aggregate amount of S\$410,000 (being the ZH EFMCN Loan), to be disbursed in one tranche, as mutually agreed upon by both the Company and Mr. Zhu. As at the Latest Practicable Date, the ZH EFMCN Loan has been disbursed in full.
Purpose	:	The ZH EFMCN Loan is to be used for working capital purposes.

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Interest	:	No interest shall accrue on the outstanding ZH EFM CN Loan.
Repayment	:	(a) Subject to the Events of Default (as set out below), EFM CN shall repay the ZH EFM CN Loan and any other amounts due but unpaid under the ZH EFM CN Loan Agreement within 60 days from the date Mr. Zhu serves a notice of demand on EFM CN, or such other time as may be determined between Mr. Zhu and EFM CN. (b) The ZH EFM CN Loan and any other amounts due but unpaid under ZH EFM CN Loan Agreement shall, subject to the approval of the shareholders of the Company (if applicable), be partially repaid by way of an allotment and issuance of a total of 204,080 new EFM CN Shares, of which 104,080 EFM CN Shares and 100,000 EFM CN Shares shall be subscribed by the Company and Mr. Zhu respectively, at the issue price of S\$1.00 per EFM CN Share, such that the Company retains a controlling stake in EFM CN and that the resultant shareholding interest of Mr. Zhu and the Company following the completion of such Proposed EFM CN Subscription shall be 49% and 51%, respectively. The Proposed EFM CN Subscription by Mr. Zhu shall be for the purposes of the partial repayment of the ZH EFM CN Loan to Mr. Zhu and the issue price for such new EFM CN Shares to be subscribed by Mr. Zhu may be deducted from any sum then due or which at any time thereafter may become due to Mr. Zhu under the Supplemental ZH EFM CN Loan Agreement with EFM CN
Events of Default	:	Each of the events set out below is an “Event of Default” (whether or not its occurrence is caused by any person outside the control of EFM CN or any other person): (a) an Insolvency Event occurs in respect of EFM CN. In this regard, an “Insolvency Event” means the occurrence of any of the following events (save for any winding-up petition or any application which is vexatious and is discharged, stayed or dismissed within twenty-one (21) days of its commencement): (i) a petition is presented or a meeting is convened for the purpose of considering a resolution or other steps are taken by any person with the view to winding up of EFM CN or, placing EFM CN under judicial management; (ii) EFM CN resolving to wind itself up or otherwise dissolve itself; (iii) the appointment of a liquidator or provisional liquidator in respect of EFM CN; (iv) a judicial manager being appointed in respect of EFM CN or its assets; (v) EFM CN entering into a scheme of arrangement or composition with or assignment for the benefit of all or any class of its creditors; or (vi) the appointment of a receiver or receiver and manager over EFM CN or any of its assets;

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- (b) any representation, warranty or statement made or deemed to be made by EFM CN in the ZH EFM CN Loan Agreement or in any notice or other document, certificate or statement delivered by it pursuant to, or in connection with, the ZH EFM CN Loan Agreement is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, unless the circumstances giving rise to the misrepresentation are:
 - (i) capable of remedy; and
 - (ii) remedied within ten (10) business days of the earlier of EFM CN or Mr. Zhu becoming aware of the misrepresentation;
- (c) EFM CN fails duly to perform or comply with any undertaking or other obligation owed or assumed by it under the ZH EFM CN Loan Agreement and, if any such non-performance or non-compliance is, in the opinion of Mr. Zhu, capable of remedy, it is not remedied to the satisfaction of Mr. Zhu within ten (10) business days after Mr. Zhu has given notice to EFM CN of such non-performance or non-compliance; or
- (d) it is or becomes unlawful for EFM CN to perform any of its obligations under the ZH EFM CN Loan Agreement which the Mr. Zhu, acting reasonably, considers material.

Mr. Zhu may at any time, if an Event of Default has occurred which has not been remedied or waived, do any one or more of the following by notice in writing to EFM CN:

- (a) declare any part of the ZH EFM CN Loan (and any accrued interest if any) to be immediately due and payable, whereupon the same will become immediately due and payable by Mr. Zhu to EFM CN; and/or
- (b) cancel the ZH EFM CN Loan in part pro rata or in full, whereupon the same will be so cancelled and, if cancelled in full, immediately reduced to zero.

The issue price for each EFM CN Share is a nominal consideration of S\$1.00 and the total consideration of S\$104,080 to be paid by the Company for the 104,080 new EFM CN Shares shall be funded by the Company's internal resources. The issue price for each EFM CN Share was arrived at after taking into consideration that the net liabilities of EFM CN was S\$413,307 as at 31 December 2024.

Upon completion of the allotment and issuance of the new EFM CN Shares pursuant to the Proposed EFM CN Subscription, the Company's interest in EFM CN will be diluted from 100% to 51%. The dilution of interest is not expected to have any material impact on the consolidated earnings per share and/or net tangible assets per Share of the Group for FY2025.

The Company will make further announcements as appropriate to update Shareholders on the Proposed EFM CN Subscription as and when there are further developments in relation to the same.

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5.5 Chapter 9 of the Catalyst Rules

Rule 904(5) of the Catalyst Rules provides that an interested person transaction means a transaction between an entity at risk and an interested person. Rule 904(2)(a) and (b) of the Catalyst Rules provides, *inter alia*, that an entity at risk means the issuer or a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange. Rule 904(4) of the Catalyst Rules provides, *inter alia*, that an interested person means a director, chief executive officer, controlling shareholder of the issuer or any of their associates. Rule 904(6)(a) and (d) of the Catalyst Rules provides, *inter alia*, that a transaction includes the provision or receipt of financial assistance and the issuance or subscription of securities.

In accordance with Rules 906(1)(a) and 918 of the Catalyst Rules, where the value of an interested person transaction is equal to or exceeds 5% of the latest audited NTA of the Group ("**Group NTA**"), the approval of independent Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

Based on the latest audited consolidated financial statements of the Company for FY2024, the Group's latest audited net tangible liabilities ("**Group NTL**") is S\$2,204,000.

5.6 The 4Q2024 ZH Loans as an Interested Person Transaction

Pursuant to Rule 909(3) of the Catalyst Rules, the value of a transaction is the amount at risk to the issuer. In the case of borrowing funds from an interested person, the value of the transaction is the interest payable on the borrowing. As each of the 4Q2024 ZH Loans are interest-free, the value of both transactions is zero. This is regardless of whether the Group NTL or market capitalisation of the Company is used as the basis for the computation of the interested person transaction materiality threshold.

While Shareholders' approval is not required for the Proposed Ratification of the 4Q2024 ZH Loans pursuant to Rule 906(1) of the Catalyst Rules, for good corporate governance, the Company will be seeking Shareholders' approval to ratify the 4Q2024 ZH Loans at the EGM.

Pursuant to Rule 919 and Rule 921 of the Catalyst Rules, Mr. Zhu will abstain, and has undertaken to ensure that his associates (if any) will abstain, from voting on the Proposed Ratification of the 4Q2024 ZH Loans. Mr. Zhu and his associates (if any) will also decline to accept appointment as proxy for any Shareholder to vote in respect of the Proposed Ratification of the 4Q2024 ZH Loans, unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast.

The Audit and Risk Committee of the Company has reviewed the terms of the 4Q2024 ZH Loans and is of the view that the Proposed Ratification of the 4Q2024 ZH Loans are not prejudicial to the interests of the Company and its minority shareholders.

5.7 The Proposed EFM CN Subscription by Mr. Zhu as an Interested Person Transaction

Pursuant to the Supplemental ZH EFM CN Loan Agreement, EFM CN will be allotting and issuing 204,080 new EFM CN Shares to be subscribed by the Company and Mr. Zhu. The Proposed EFM CN Subscription by Mr. Zhu is for the partial repayment of the S\$410,000 loan and Mr. Zhu will be allotted and issued 100,000 EFM CN Shares for a consideration of S\$100,000. As Mr. Zhu will be subscribing for new EFM CN Shares, the Proposed EFM CN Subscription by Mr. Zhu as contemplated in the Supplemental ZH EFM CN Loan Agreement constitutes an interested person transaction under Chapter 9 of the Catalyst Rules.

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The amount at risk to the Company in respect of the Proposed EFM CN Subscription by Mr. Zhu is the aggregate subscription price of the 100,000 new EFM CN Shares which amounts to a consideration of S\$100,000, which represents approximately 4.54% of the Group's audited NTL as at 31 December 2024 of approximately S\$2,204,000.

Assuming if the market capitalisation of the Company is used as the basis for the computation of the interested person transaction materiality threshold, the value of the Proposed EFM CN Subscription by Mr. Zhu is S\$100,000 and represents approximately 0.30% of the Company's market capitalisation of S\$33.82 million (computed based on the total number of shares being 1,690,758,836 Shares of the Company and the weighted average price on 15 May 2025, being the last full market day in which Shares were traded on the SGX-ST preceding the date of execution of the Supplemental ZH EFM CN Loan Agreement).

While Shareholders' approval is not required for the Proposed EFM CN Subscription by Mr. Zhu pursuant to Rule 906(1) of the Catalist Rules, for good corporate governance, the Company will be seeking Shareholders' approval for the Proposed EFM CN Subscription by Mr. Zhu as an "interested person transaction" under Catalist Rule 906 of at the EGM to be convened.

Pursuant to Rule 919 and Rule 921 of the Catalist Rules, Mr. Zhu will abstain, and has undertaken to ensure that his associates (if any) will abstain, from voting on the Proposed EFM CN Subscription by Mr. Zhu. Mr. Zhu and his associates (if any) will also decline to accept appointment as proxy for any Shareholder to vote in respect of the Proposed EFM CN Subscription by Mr. Zhu, unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast.

There were no interested person transactions entered into by the Group with Mr. Zhu (excluding the Proposed EFM CN Subscription by Mr. Zhu) for the current financial year commencing 1 January 2025 up to the Latest Practicable Date.

5.8 **Advice of the Independent Financial Adviser in respect of the Proposed EFM CN Subscription by Mr. Zhu**

Rule 921 of the Catalist Rules provides that, where shareholders' approval is required for an interested person transaction, the shareholders' circular must include an opinion from an independent financial adviser as to whether such transaction is on normal commercial terms and if it is prejudicial to the interests of the company and its minority shareholders.

The Company has appointed ZICO Capital Pte. Ltd. as the IFA to provide an opinion on whether the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders (the "IFA Opinion").

A copy of the IFA Opinion dated 26 May 2025 from ZICO Capital Pte. Ltd., containing the IFA Opinion in full, is set out in Appendix 1 to this Circular. Shareholders are advised to read the IFA Opinion carefully and in its entirety. The advice of the Independent Financial Adviser has been extracted from the IFA Opinion and is reproduced in *italics* below:

“5 OUR OPINION

In determining if the Proposed EFMCN Subscription by Mr. Zhu as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, we have considered the views and representations made by the Directors and the Management, and reviewed and deliberated on, inter alia, the following factors:

- (a) rationale for and the benefit to the Company arising from the Proposed EFMCN Subscription by Mr. Zhu;*
- (b) historical financial results of the Group;*
- (c) historical financial results of EFMCN;*
- (d) assessment of the Subscription Price of each new EFMCN Share; and*
- (e) other relevant considerations as set out in Section 4.5 of this IFA Letter.*

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 which we have taken into account, be read in its entirety.

Having considered carefully the information available to us as at the Latest Practicable Date and based on our analyses, we are of the opinion that the Proposed EFMCN Subscription by Mr. Zhu as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.”

5.9 Statement of the Audit and Risk Committee in respect of the Proposed EFMCN Subscription by Mr. Zhu

The Audit and Risk Committee of the Company, having reviewed the terms of the Proposed EFMCN Subscription by Mr. Zhu and all other relevant information set out in this Circular, and having considered the advice of the IFA, concur with the IFA and are of the view that the Proposed EFMCN Subscription by Mr. Zhu as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

5.10 Catalyst Rule 805(2) and the Proposed EFMCN Subscription

Rule 805(2) of the Catalyst Rules requires an issuer to obtain the prior approval of shareholders in general meeting if a principal subsidiary issues shares or convertible securities or options that will or may result in a percentage reduction of 20.0% or more of the issuer's equity interest in the principal subsidiary.

The Catalyst Rules defines a principal subsidiary as “a subsidiary whose latest audited consolidated pre-tax profits (excluding the minority interest relating to that subsidiary) as compared with the latest audited pre-tax profits of the group (excluding minority interest relating to that subsidiary) accounts for 20.0% or more of such pre-tax profits of the group. In determining profits, exceptional and extraordinary items are to be excluded.”

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As at the Latest Practicable Date, EFM CN is a wholly-owned subsidiary of the Company. While the Proposed EFM CN Subscription would result in the Company's shareholding in EFM CN to be diluted by more than 20%, the Company does not consider EFM CN to be a principal subsidiary for the purposes of Rule 805(2) of the Catalist Rules. EFM CN was incorporated on 31 July 2024 and its first financial year end will be 31 December 2025, in accordance with the requirement that a company's first financial year end must be no more than 18 months from its incorporation date. Furthermore, as EFM CN has been dormant since incorporation and has not carried on any business since its incorporation, its pre-tax's profit would not be meaningful for the purposes of determining whether it qualifies as a principal subsidiary under Rule 805(2) of the Catalist Rules.

Therefore, notwithstanding the dilution of the Company's interest in EFM CN by more than 20%, the Proposed EFM CN Subscription will not be subject to the approval of the Company's Shareholders pursuant to Rule 805(2) of the Catalist Rules.

5.11 Financial Effects of the Proposed EFM CN Subscription by the Company and Mr. Zhu

The financial effects of the Proposed EFM CN Subscription by the Company and Mr. Zhu 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 EFM CN Subscription.

The financial effects of the Proposed EFM CN Subscription on the Group have been computed based on the latest audited consolidated financial statements of the Group for FY2024 and the following bases and assumptions:

- (a) the share capital of the Company as at the date of this announcement comprising 1,690,758,836 Shares for the purposes of illustrating the financial effects on the Group's issued and paid-up share capital;
- (b) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed EFM CN Subscription was completed on 31 December 2024;
- (c) the financial effect on the consolidated EPS is computed based on the assumption that the Proposed EFM CN Subscription was completed on 1 January 2024; and
- (d) the Company subscribes for 104,080 new EFM CN Shares for a total subscription price of S\$104,080 and Mr. Zhu subscribes for 100,000 new EFM CN Shares for a total subscription price of S\$100,000, pursuant to the Proposed EFM CN Subscription.

NTA per Share

	Before the Proposed EFM CN Subscription	After the Proposed EFM CN Subscription
NTA of the Group as at 31 December 2024 (S\$'000)	(2,204)	(2,104)
Number of issued Shares ('000)	1,690,759	1,690,759
NTA per Share as at 31 December 2024 (Singapore cents)	(0.13)	(0.12)

LETTER TO SHAREHOLDERS

EPS

	Before the Proposed EFM CN Subscription	After the Proposed EFM CN Subscription
Net earnings attributable to equity holders of the Company for FY2024 (S\$'000)	(3,434)	(3,231)
Weighted average number of shares (excluding treasury shares) ('000)	981,259	981,259
EPS for FY2024 (Singapore cents)	(0.35)	(0.33)

6 INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors and Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders in the Shares are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾

Directors

Zhu Hua	–	–	505,500,000	29.90	505,500,000	29.90
Chen Lu	76,000,000	4.50	–	–	76,000,000	4.50
Ch'ng Li-Ling	–	–	–	–	–	–
Ian David Brown	–	–	–	–	–	–
Liew Yoke Pheng Joseph	–	–	–	–	–	–

Substantial Shareholders (other than Directors)

Yuan Zhi Jun ⁽²⁾	211,988,000	12.54	–	–	211,988,000	12.54
Wu Kun Wei ⁽²⁾	240,012,000	14.20	–	–	240,012,000	14.20

Notes:

- (1) Based on the total issued and paid-up share capital of the Company of 1,690,758,836 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Inclusive of the Earn-Out Consideration Shares held in escrow in accordance with the terms and conditions of the SXNT Acquisition.

Save as disclosed, none of the Directors or their associates or, as far as the Company is aware, Substantial Shareholders or their associates, has any interest, direct or indirect, in the Proposed Change of Name, the Proposed Diversification, the Proposed Yuan Shares Issuances, the Proposed Ratification of the 4Q2024 ZH Loan Agreements and the Proposed EFM CN Subscription, other than through their respective shareholding interest (if any) in the Company.

LETTER TO SHAREHOLDERS

7 DIRECTORS' RECOMMENDATION

The Directors (with Mr. Zhu abstaining on the Proposed Ratification of the 4Q2024 ZH Loan Agreements and the Proposed EFM CN Subscription), having considered, *inter alia*, the rationale for the Proposed Change of Name, the Proposed Diversification, the Proposed Yuan Shares Issuances, the Proposed Ratification of the 4Q2024 ZH Loan Agreements and the Proposed EFM CN Subscription, as set out above in this Circular, are of the opinion that the Proposed Change of Name, the Proposed Diversification, the Proposed Yuan Shares Issuances, the Proposed Ratification of the 4Q2024 ZH Loan Agreements and the Proposed EFM CN Subscription are in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the resolutions relating thereto to be proposed at the EGM.

8 ABSTENTION FROM VOTING

In accordance with Rule 812(2) of the Catalist Rules, Mr. Yuan has undertaken that:

- (a) he shall, and shall ensure that his Associates (if any) will, abstain from voting on the ordinary resolutions in respect of the Proposed Yuan Shares Issuances at the EGM in respect of their shareholdings in the Company; and
- (b) he shall not, and shall ensure that his Associates (if any) will not, accept any appointments to act as proxies of other Shareholders to vote on the ordinary resolutions in respect of the Proposed Yuan Shares Issuances, unless the appointing Shareholder(s) has/have given express instructions in the Proxy Form as to the manner in which the votes are to be cast.

Pursuant to Rule 1203(5) of the Catalist Rules, the Company will disregard any votes cast by Mr. Yuan, and his Associates (if any) on the ordinary resolutions in respect of the Proposed Yuan Shares Issuances at the EGM (a) in respect of their shareholdings in the Company, and/or (b) as proxy(ies) for other Shareholders unless the appointing Shareholder(s) has/have given express instructions in the Proxy Form as to the manner in which the votes are to be cast.

Pursuant to Rule 919 and Rule 921 of the Catalist Rules, Mr. Zhu will abstain, and has undertaken to ensure that his associates (if any) will abstain from voting on the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFM CN Subscription by Mr. Zhu. Mr. Zhu and his associates (if any) will also decline to accept appointment as proxy for any Shareholder to vote in respect of the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFM CN Subscription by Mr. Zhu, unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast.

Pursuant to Rule 1203(5) of the Catalist Rules, the Company will disregard any votes cast by Mr. Zhu, and his Associates (if any) on the ordinary resolutions in respect of the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFM CN Subscription at the EGM (a) in respect of their shareholdings in the Company, and/or (b) as proxy(ies) for other Shareholders unless the appointing Shareholder(s) has/have given express instructions in the Proxy Form as to the manner in which the votes are to be cast.

9 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held at 18 Howard Road, #02-07 Novelty BizCentre, Singapore 369585 on Tuesday, 17 June 2025 at 10.30 am for the purpose of considering and, if thought fit, passing, with or without any modification, the Proposed Change of Name, the Proposed Diversification, the Proposed Yuan Shares Issuances, the Proposed Ratification of the 4Q2024 ZH Loan Agreements and the Proposed EFM CN Subscription by Mr. Zhu as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

10 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 office of the Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road #06-03 Robinson 77, Singapore 068896 or email to main@zicoholdings.com, not less than seventy-two (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 seventy-two (72) hours before the time appointed for holding the EGM.

Shareholders may raise questions at the EGM or submit questions relating to the resolutions tabled for approval at the EGM in advance: (a) by email to circular@biolidics.com; or (b) in hard copy by post to the registered office of the Company at 18 Howard Road #11-09 Novelty BizCentre, Singapore 369585, in any case, by 10.30 am on Monday, **2 June 2025**, being seven (7) calendar days from the date of the Notice of EGM. The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) no later than 48 hours prior to the closing date and time for the lodgement of the Proxy Forms. Any subsequent clarifications sought by the Shareholders after the aforementioned cut-off time for the submission of questions will be addressed at the EGM. The minutes of the EGM will be published on SGXNet within one (1) month after the date of the EGM.

11 CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Opinion and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

12 CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading their Shares as there is no certainty or assurance as at the Latest Practicable Date that the Proposed Yuan Share Issuances, the Proposed Change of Name, Proposed Diversification, the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFM CN Subscription will be completed as they are subject to Shareholders' approval. The Company will make the necessary announcements as and when there are further developments.

Shareholders and potential investors are advised to read this circular and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

13 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 Change of Name, the Proposed Diversification, the Proposed Yuan Shares Issuances, the Proposed Ratification of the 4Q2024 ZH Loan Agreements and the Proposed EFM CN Subscription, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

LETTER TO SHAREHOLDERS

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.

14 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following be available for inspection during normal business hours at the registered office of the Company at 18 Howard Road, #11-09, Novelty Bizcentre, Singapore 369585 for a period of three (3) months from the date of this Circular:

- (a) the Constitution of the Company;
- (b) the Yuan Service Agreement;
- (c) the ZH Biolidics Loan Agreement;
- (d) the ZH EFM CN Loan Agreement;
- (e) the Supplemental ZH EFM CN Loan Agreement; and
- (f) the IFA Opinion.

Yours faithfully

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

Mr. Zhu Hua
Executive Director and Chairman

APPENDIX 1 – IFA LETTER

APPENDIX 1 – LETTER FROM THE IFA TO THE NON-INTERESTED DIRECTORS IN RELATION TO THE PROPOSED EFM CN SUBSCRIPTION BY MR. ZHU HUA AS AN INTERESTED PERSON TRANSACTION

26 May 2025

Biolidics Limited
18 Howard Road
#11-09, Novelty Bizcentre
Singapore 369585

To: The Directors of Biolidics Limited who are considered independent for the purposes of the Proposed EFM CN Subscription (as defined herein) by Mr Zhu

Mr. Chen Lu (Executive Director and President)
Ms. Ch'ng Li-Ling (Lead Independent Director)
Mr. Liew Yoke Pheng Joseph (Independent Director)
Mr. Ian David Brown (Independent Director)

(collectively, the “**Non-Interested Directors**”)

Dear Sirs and Madam,

IFA LETTER TO THE NON-INTERESTED DIRECTORS IN RESPECT OF THE PROPOSED EFM CN SUBSCRIPTION BY MR. ZHU HUA AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders of Biolidics Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 26 May 2025 (“**Circular**”).*

1 INTRODUCTION AND BACKGROUND

1.1 Proposed EFM CN Subscription by Mr. Zhu Hua

On 24 July 2024, the Company announced that Mr. Zhu Hua (“**Mr. Zhu**”), pursuant to the subscription agreement dated 24 July 2024 entered into between the Company and Mr. Zhu (the “**2024 ZH Subscription Agreement**”), had undertaken to use his best endeavours to provide financial support to the Group by way of, *inter alia*, his participation in further capital fundraising exercises undertaken by the Company to ensure that the Company and the Group will be able to continue to operate as a going concern (the “**ZH Financial Support Undertaking**”).

In line with the ZH Financial Support Undertaking, Mr. Zhu entered into the following loan agreements:

- (a) with the Company on 3 October 2024, an interest-free loan of S\$4,000,000 to the Company for working capital purposes (“**ZH Biolidics Loan Agreement**”); and
- (b) with Embracing Future MCN Technology Pte. Ltd. (“**EFMCN**”), being a wholly-owned subsidiary of the Company, on 3 December 2024, an interest-free loan of S\$410,000 to EFMCN (“**ZH EFMCN Loan**”) for working capital purposes (“**ZH EFMCN Loan Agreement**”),

(collectively, the “**4Q2024 ZH Loan Agreements**”).

APPENDIX 1 – IFA LETTER

The Company, amongst others, announced the proposed entry into the supplemental agreement dated 16 May 2025 between the Company, EFM CN and Mr. Zhu to amend, modify and supplement the ZH EFM CN Loan Agreement (“**Supplemental ZH EFM CN Loan Agreement**”) to provide for, *inter alia*, the partial repayment of the ZH EFM CN Loan by way of the Proposed EFM CN Subscription (as defined herein) by Mr. Zhu.

Pursuant to the Supplemental ZH EFM CN Loan Agreement, an aggregate of 204,080 new ordinary shares shall be allotted and issued in the share capital of EFM CN (“**EFM CN Shares**”) to be subscribed by the Company and Mr. Zhu (“**Proposed EFM CN Subscription**”). The Company and Mr. Zhu will subscribe for 104,080 new EFM CN Shares and 100,000 new EFM CN Shares respectively at an issue price of S\$1.00 per new EFM CN Share (“**Subscription Price**”). Accordingly, the Proposed EFM CN Subscription by Mr. Zhu, which amounts to an aggregate consideration of S\$100,000, is for the partial repayment of the ZH EFM CN Loan.

1.2 Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction

As Mr. Zhu will be subscribing for 100,000 new EFM CN Shares and taking into consideration his capacity as Executive Director and Chairman of the Company, the Proposed EFM CN Subscription by Mr. Zhu as contemplated in the Supplemental ZH EFM CN Loan Agreement constitutes an interested person transaction 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**”).

The amount at risk to the Company in respect of the Proposed EFM CN Subscription by Mr. Zhu is the aggregate Subscription Price of the 100,000 new EFM CN Shares which amounts to a consideration of S\$100,000, representing approximately 4.54% of the Group’s audited net tangible liabilities (“**NTL**”) as at 31 December 2024 of approximately S\$2,204,000.

Assuming if the market capitalisation of the Company is used as the basis for the computation of the interested person transaction materiality threshold, the value of the Proposed EFM CN Subscription by Mr. Zhu is S\$100,000 and represents approximately 0.30% of the Company’s market capitalisation of S\$33.82 million (computed based on the total number of shares being, 1,690,758,836 shares of the Company (“**Shares**”) and the weighted average price of S\$0.02 per Share on 15 May 2025, being the last full market day on which the Shares were traded on the SGX-ST preceding the date of execution of the Supplemental ZH EFM CN Loan Agreement).

While Shareholders’ approval is not required for the Proposed EFM CN Subscription by Mr. Zhu pursuant to Rule 906(1) of the Catalist Rules, for good corporate governance, the Company proposes to seek Shareholders’ approval for the Proposed EFM CN Subscription by Mr. Zhu as an “interested person transaction” in accordance with Catalist Rule 906(1)(a) at the EGM.

Please refer to Section 5.7 of the Circular for further details of the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction.

1.3 Independent financial adviser

In connection with the above, ZICO Capital Pte. Ltd. (“**ZICO Capital**”) has been appointed by the Company as the independent financial adviser (“**IFA**”) to advise the Non-Interested Directors on whether the Proposed EFM CN Subscription by Mr. Zhu is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

This letter (“**IFA Letter**”), which sets out our opinion and advice, has been prepared pursuant to Chapter 9 of the Catalist Rules as well as for use by the Non-Interested Directors in connection with their consideration of the Proposed EFM CN Subscription by Mr. Zhu and their recommendation to the Shareholders arising thereof. This IFA Letter forms part of the Circular to be despatched to Shareholders in connection with the Proposed EFM CN Subscription by Mr. Zhu.

APPENDIX 1 – IFA LETTER

2 TERMS OF REFERENCE

We have confined our evaluation and analysis strictly and solely to the terms of the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction. Our terms of reference do not require us to evaluate or comment on the rationale for, legal, strategic and commercial risks and/or merits (if any) of the Proposed EFM CN Subscription by Mr. Zhu, or on the future financial performance or prospects of the Group, or to compare the relative merits of the Proposed EFM CN Subscription by Mr. Zhu with alternative transactions considered by the Company (if any) or which may otherwise be available to the Group currently or in the future, and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the directors (“**Directors**”) and the management (“**Management**”) of the Company although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion and recommendations as set out in this IFA Letter.

It is also not within the scope of our appointment to express any view herein as to the prices at which the Shares may trade or on the future performance of the Company and/or the Group upon the completion of the Proposed EFM CN Subscription by Mr. Zhu. We have not relied upon any financial projections or forecasts in respect of EFM CN, the Company or the Group. We are not required to express, and we do not express, any views on the growth prospects, earnings potential, future financial performance, or future financial position of EFM CN, the Company or the Group arising from the Proposed EFM CN Subscription by Mr. Zhu, in connection with our opinion in this IFA Letter. We were not involved in, or responsible for, any aspect of the negotiations pertaining to the Proposed EFM CN Subscription by Mr. Zhu, nor were we involved in the deliberations leading up to the decision on the part of the Directors to undertake the Proposed EFM CN Subscription by Mr. Zhu. We do not, by this IFA Letter, warrant the merits of the Proposed EFM CN Subscription by Mr. Zhu other than to express an opinion on whether the Proposed EFM CN Subscription by Mr. Zhu as an Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

In the course of our evaluation of the Proposed EFM CN Subscription by Mr. Zhu, we have held discussions with the Directors and the Management and have also examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us as well as information, representations, opinions, facts and statements provided to us, both written and verbal, by the Directors and the Management. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any warranty or representation, expressed or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and exercised judgement on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, the real properties) of EFM CN, the Company or the Group. We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material aspects. The Directors have confirmed to us that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed EFM CN Subscription by Mr. Zhu, EFM CN, the Company and the Group, and the Directors are not aware of any facts, the omission of which would cause any statement in the Circular in respect of the Proposed EFM CN Subscription by Mr. Zhu, EFM CN, the Company and the Group to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

APPENDIX 1 – IFA LETTER

Our opinion set out in this IFA Letter is based upon market, economic, industry, monetary and other conditions prevailing, as well as information made available to us, as at 19 May 2025 (the “**Latest Practicable Date**”). Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent developments after the Latest Practicable Date that may affect our opinion contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed EFM CN Subscription by Mr. Zhu, which may be released after the Latest Practicable Date.

In rendering our advice and providing our opinion and recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. As different Shareholders would have different investment profiles and objectives, we would advise the Directors to recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular and its accompanying appendices (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular and its accompanying appendices (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular and its accompanying appendices (except for this IFA Letter and the extract of our opinion and recommendation in the Circular).

We have prepared this IFA Letter for use by the Non-Interested Directors for their consideration of the Proposed EFM CN Subscription by Mr. Zhu, but any recommendations made by the Non-Interested Directors in respect of the Proposed EFM CN Subscription by Mr. Zhu shall remain their sole responsibility.

Whilst a copy of this IFA Letter may be reproduced in the Circular and made available for inspection at the Company’s registered office as set out in Section 14 of the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for purposes, other than relating to the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction, at any time and in any manner without the prior written consent of ZICO Capital.

Our opinion and recommendation in relation to the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction should be considered in the context of the entirety of this IFA Letter and the Circular.

3 OVERVIEW OF THE PROPOSED EFM CN SUBSCRIPTION BY MR. ZHU

3.1 Information on Mr. Zhu

Mr. Zhu is the Executive Director and Chairman of the Group, and a controlling shareholder of the Company with a deemed interest of 505,500,000 Shares representing 29.90% of the existing share capital of the Company as at the Latest Practicable Date. Mr. Zhu currently holds various senior positions in investment, technology and internet-related companies. Mr. Zhu has worked in several equity investment fund companies and has about 21 years of experience in investment management. Please refer to further details in Section 3.4 of the Circular.

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3.2 Information on EFM CN

EFMCN, a wholly-owned subsidiary of the Company, was incorporated in Singapore on 31 July 2024 and has been dormant since its incorporation. EFM CN has an issued and paid-up share capital of S\$1.00 comprising one EFM CN Share as at the Latest Practicable Date.

Based on EFM CN's unaudited financials for the financial period since incorporation on 31 July 2024 to 31 December 2024, EFM CN registered net losses of S\$413,308 and has net liabilities of S\$413,307.

3.3 Principal terms of the Supplemental ZH EFM CN Loan Agreement

A summary of the salient principal terms of the ZH EFM CN Loan Agreement (as amended, modified and supplemented by the Supplemental ZH EFM CN Loan Agreement) is extracted from the Circular and replicated as follows:

Principal Amount	:	Mr. Zhu has extended EFM CN a loan facility in the aggregate amount of S\$410,000 (being the ZH EFM CN Loan), to be disbursed in one tranche, as mutually agreed upon by both the Company and Mr. Zhu. As at the Latest Practicable Date, the ZH EFM CN Loan has been disbursed in full.
Purpose	:	The ZH EFM CN Loan is to be used for working capital purposes.
Interest	:	No interest shall accrue on the outstanding ZH EFM CN Loan.
Repayment	:	(a) Subject to the Events of Default (as set out below), EFM CN shall repay the ZH EFM CN Loan and any other amounts due but unpaid under the ZH EFM CN Loan Agreement within 60 days from the date Mr. Zhu serves a notice of demand on EFM CN, or such other time as may be determined between Mr. Zhu and EFM CN. (b) The ZH EFM CN Loan and any other amounts due but unpaid under ZH EFM CN Loan Agreement shall, subject to the approval of the shareholders of the Company (if applicable), be partially repaid by way of an allotment and issuance of a total of 204,080 new EFM CN Shares, of which 104,080 EFM CN Shares and 100,000 new EFM CN Shares shall be subscribed by the Company and Mr. Zhu respectively, at the issue price of S\$1.00 per EFM CN Share, such that the Company retains a controlling stake in EFM CN and that the resultant shareholding interest of Mr. Zhu and the Company following the completion of such Proposed EFM CN Subscription shall be 49% and 51%, respectively. The Proposed EFM CN Subscription by Mr. Zhu shall be for the purposes of the partial repayment of the ZH EFM CN Loan to Mr. Zhu and the issue price for such new EFM CN Shares to be subscribed by Mr. Zhu may be deducted from any sum then due or which at any time thereafter may become due to Mr. Zhu under the Supplemental ZH EFM CN Loan Agreement with EFM CN.

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Please refer to Section 5.4 of the Circular for further details of the principal terms of the ZH EFM CN Loan Agreement, which has been amended, modified and supplemented by the Supplemental ZH EFM CN Loan Agreement for the contemplated Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction.

4 EVALUATION OF THE PROPOSED EFM CN SUBSCRIPTION BY MR. ZHU

We have given due consideration to, *inter alia*, the following key factors in our evaluation of the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction:

- (a) rationale for and the benefit to the Company arising from the Proposed EFM CN Subscription by Mr. Zhu;
- (b) historical financial results of the Group;
- (c) historical financial results of EFM CN;
- (d) assessment of Subscription Price of each new EFM CN Share; and
- (e) other relevant considerations.

The above factors are discussed in greater detail in the ensuing paragraphs.

4.1 Rationale for and the benefit to the Company arising from the Proposed EFM CN Subscription by Mr. Zhu

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed EFM CN Subscription by Mr. Zhu. Nevertheless, we have reviewed the rationale for the Proposed EFM CN Subscription by Mr. Zhu as set out in Section 5.1 of the Circular, which is extracted and replicated in its entirety in *italics* below.

“The Company has used its best endeavours to explore other financing options; however, in light of the present market conditions, limited financing options are available to the Group. Furthermore, the repayment terms for the 4Q2024 ZH Loans are also comparatively more beneficial than a regular term loan, which is expected to enhance the Group’s cash flow position in the near term. In particular, the repayment of the ZH EFM CN Loan through the allotment and issuance of new EFM CN Shares to Mr. Zhu is intended to strengthen EFM CN’s capital structure while preserving the Group’s cash resources. As EFM CN is a wholly-owned subsidiary of the Company, this approach allows the Group to settle its financial obligations to Mr. Zhu without requiring an immediate cash outlay and thereby enhancing liquidity and financial flexibility. The capital injection allows EFM CN to be better positioned to commence its business operations, supporting the Group’s overall strategic objectives. This structure also reinforces confidence in EFM CN’s future prospects while ensuring that the Company can continue allocating its cash resources efficiently to support other strategic initiatives within the Group.

Therefore, having reviewed the terms of the 4Q2024 ZH Loan Agreements, the Board is of the view that the 4Q2024 ZH Loans and the Proposed EFM CN Subscription are in the best interests of the Company, its minority shareholders, and EFM CN.”

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4.2 Historical financial results of the Group

4.2.1 Summary of historical financial performance of the Group

A summary of the consolidated audited statement of comprehensive income of the Group for the financial years ended 31 December 2022 (“FY2022”), 31 December 2023 (“FY2023”) and 31 December 2024 (“FY2024”) are set out below:

S\$'000	FY2022	FY2023	FY2023 (Re-presented)*	FY2024
Revenue	2,489	1,315	277	784
Loss before tax	(9,850)	(2,488)	(1,514)	(3,187)
Loss for the year from continuing operations	(9,374)	(2,488)	(1,514)	(3,192)
Loss for the year from discontinued operations	–	–	(974)	(242)
Loss for the year	(9,374)	(2,488)	(2,488)	(3,434)

Source: Company's annual reports for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024

* Financial information for FY2023 has been re-presented due to discontinued operations of Biomedics Laboratory Pte. Ltd., the Company's wholly-owned subsidiary which has been placed under provisional liquidation.

FY2024 vs FY2023 (Re-presented)

The Group's revenue increased by 183.0% or S\$0.50 million, rising from S\$0.28 million in FY2023 to S\$0.78 million in FY2024 and was primarily due to revenue generated from sales of E-Sport services in FY2024, which were newly acquired on 22 October 2024.

The Group's other income increased by 106.5%, or S\$0.1 million, from S\$0.09 million in FY2023 to S\$0.19 million in FY2024, and was primarily due to an increase in government grants of S\$0.04 million, a gain on liquidation of S\$0.02 million, and a reversal of the provision for inventory obsolescence of S\$0.07 million, and was partially offset by a decrease in interest income from fixed deposits of S\$0.04 million.

The Group's purchases rose by S\$0.43 million or 339.1%, from S\$0.13 million in FY2023 to S\$0.56 million in FY2024. This surge is primarily driven by the introduction of a new business segment, E-Sport.

The Group's employee benefits expense increased by S\$0.93 million or 91.3%, from S\$1.02 million in FY2023 to S\$1.95 million in FY2024. This increase was mainly due to a share-based benefit awarded to an executive director, amounting to S\$0.84 million, as well as the introduction of a new segment that required an increase in headcount.

The Group's other expenses rose by 219.3% or S\$1.02 million, from S\$0.47 million in FY2023 to S\$1.49 million in FY2024. This increase was primarily due to heightened professional fees (both cash and equity settled) resulting from various corporate actions.

The Group's finance costs decreased by 64.9% or S\$0.07 million, from S\$0.11 million in FY2023 to S\$0.04 million in FY2024, primarily due to the reduced borrowings and the full repayment of deferred consideration. The deferred consideration was in relation to the acquisition of the entire issued and paid-up share capital of Biomedics Laboratory Pte. Ltd. in May 2020.

As a result of the foregoing, the Group's loss for the year from continuing operations increased by S\$1.68 million or 110.8%, from S\$1.51 million in FY2023 to S\$3.19 million in FY2024.

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FY2023 vs FY2022

The Group's revenue decreased by 47.2% or S\$1.17 million, from S\$2.49 million in FY2022 to S\$1.32 million in FY2023, due mainly to a decrease in revenue from rendering of laboratory services from S\$1.94 million in FY2022 to S\$1.04 million in FY2023 attributable to a decrease in PCR test services arising from the lack of demand resulting from the changes in travel policies as such PCR tests were no longer required for travelers into many countries. Accordingly, revenue from the sale of the Group's COVID19 related products amounted to nil in FY2023, as compared to S\$0.34 million in FY2022, arising from a growing supply of antigen and antibody test kits which led to a highly competitive market under the constraints of intense price competition. The decrease was partially offset by an increase in revenue from the sales of the Group's ClearCell® FX1 system, CTChip® FR1 biochip and other related services and consumables from S\$0.21 million in FY2022 to S\$0.28 million in FY2023.

The Group's other income decreased by 54.2% or S\$0.17 million, from S\$0.31 million in FY2022 to S\$0.14 million in FY2023, due mainly to a decrease of S\$0.13 million in government grants and a decrease in foreign exchange gains of S\$0.09 million.

The Group's purchases decreased by S\$0.54 million or 48.2%, from S\$1.11 million in FY2022 to S\$0.58 million in FY2023, in line with the decrease in revenue from rendering of laboratory services during the respective financial years.

The Group's employee benefits expense decreased by S\$1.23 million or 42.7%, from S\$2.88 million in FY2022 to S\$1.65 million in FY2023, due mainly to a reduction of headcount since March 2023.

The Group's depreciation expense decreased by S\$0.52 million or 68.3%, from S\$0.76 million in FY2022 to S\$0.24 million in FY2023, due to assets being fully depreciated and/ or impaired in FY2022.

The Group's Research & Development ("R&D") expense decreased by 86.3% or S\$0.20 million, from S\$0.23 million in FY2022 to S\$0.03 million in FY2023, due mainly to the reduction in R&D activities during the respective financial years.

The Group's other expenses decreased by 81.8% or S\$5.55 million, from S\$6.78 million in FY2022 to S\$1.23 million in FY2023, due mainly to (i) impairment losses of S\$4.04 million pertaining to intangibles, goodwill, plant and equipment and right-of-use assets in FY2022; (ii) writeback for inventories of S\$0.03 million in FY2023 and inventories written off of S\$0.18 million in FY2023, as compared to allowance for inventories of S\$1.30 million in FY2022.

The Group's finance costs decreased by 32.7% or S\$0.06 million, from S\$0.17 million in FY2022 to S\$0.11 million in FY2023, mainly due to lower balances of borrowings and deferred consideration.

As a result of the foregoing, the Group's loss for the year decreased by S\$6.88 million or 73.5%, from S\$9.37 million in FY2022 to S\$2.49 million in FY2023.

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4.2.2 Summary of historical financial position of the Group

A summary of the consolidated audited statement of financial position of the Group as at 31 December 2022, 31 December 2023 and 31 December 2024 are set out below:

S\$'000	As at 31 December 2022	As at 31 December 2023*	As at 31 December 2024
Current assets	5,920	430	667
Non-current assets	168	252	4,001
Total assets	6,088	682	4,668
Current liabilities	6,008	1,920	1,905
Non-current liabilities	1,768	751	1,031
Total liabilities	7,776	2,671	2,936
Net (liabilities)/assets	(1,688)	(1,989)	1,732
Equity attributable to owners of the Company	(1,688)	(1,989)	1,732
Net current liabilities	(88)	(1,490)	(1,238)
Net tangible liabilities	–	–	(2,204)

Source: Company's annual reports for the financial years ended 31 December 2022, 31 December 2023, and 31 December 2024

* The discontinued operations of Biomedics Laboratory Pte. Ltd., which has been placed under provisional liquidation, has no impact on the Balance Sheet of the Group as at 31 December 2023.

As at 31 December 2024

Assets

The Group's non-current assets increased by 1,487.70% or S\$3.75 million, from S\$0.25 million as at 31 December 2023 to S\$4.00 million as at 31 December 2024. This rise was primarily attributable to goodwill and intangible assets recognised from the acquisition of a wholly owned subsidiary during the financial year. The Group's current assets increased by 55.12% or S\$0.24 million, growing from S\$0.43 million as at 31 December 2023 to S\$0.67 million as at 31 December 2024. This was primarily due to an increase in (i) the trade receivables of S\$0.21 million and (ii) cash and cash equivalents rising by S\$0.11 million; partially offset by a decrease in (i) prepayments of S\$0.06 million and (ii) a reduction in other receivables of S\$0.01 million.

Liabilities

The Group's non-current liabilities decreased by 37.3% or S\$0.28 million, from S\$0.75 million as at 31 December 2023 to S\$1.03 million as at 31 December 2024. This was due mainly to a decrease in (i) borrowings of S\$0.61 million comprising the non-current portion of working capital bank loans, (ii) non-current portion of lease liabilities of S\$0.12 million, and an increase in (i) deferred tax liability of S\$0.36 million, which arose from the acquisition of a wholly owned subsidiary during the financial year, and non-current portion of loan to shareholder of S\$0.67 million. The Group's current liabilities decreased by 0.78% or S\$0.01 million, from S\$1.92 million as at 31 December 2023 to S\$1.91 million as at 31 December 2024. This was mainly due to a decrease in (i) borrowing of S\$0.47 million, and (ii) decrease in lease liabilities of S\$0.15 million, partially offset by an increase in (i) loan due to shareholder of S\$0.41 million and (ii) increase in trade payables of S\$0.17 million.

As a result of the foregoing, the Group recorded net assets and net tangible liabilities of S\$1.73 million and S\$2.20 million as at 31 December 2024, respectively.

APPENDIX 1 – IFA LETTER

As at 31 December 2023

Assets

The Group's non-current assets increased by 50.0% or S\$0.08 million, from S\$0.17 million as at 31 December 2022 to S\$0.25 million as at 31 December 2023, and was due to an increase in right-of-use assets of S\$0.14 million which arose from the new and renewal of leases, which was partially offset by a decrease in plant and equipment of S\$0.06 million which arose mainly from the depreciation during the financial year. The Group's current assets decreased by 92.7% or S\$5.49 million, from S\$5.92 million as at 31 December 2022 to S\$0.43 million as at 31 December 2023 and was due mainly to a decrease in (i) cash and cash equivalents of S\$4.85 million, (ii) trade receivables of S\$0.44 million, (iii) prepayments of S\$0.10 million, (iv) other receivables of S\$0.09 million and (v) inventories of S\$0.02 million.

Liabilities

The Group's non-current liabilities decreased by 57.5% or S\$1.02 million, from S\$1.77 million as at 31 December 2022 to S\$0.75 million as at 31 December 2023. This was due mainly to a decrease in (i) provision for reinstatement costs of S\$5,000, and (ii) borrowings of S\$1.08 million comprising the non-current portion of working capital bank loans partially offset by an increase in the non-current portion of lease liabilities of S\$0.07 million. The Group's current liabilities decreased by 68.0% or S\$4.09 million, from S\$6.01 million as at 31 December 2022 to S\$1.92 million as at 31 December 2023. This was due mainly to a decrease in (i) deferred consideration of S\$3.24 million; (ii) other payables of S\$0.69 million, (iii) trade payables of S\$0.07 million, (iv) contract liabilities of S\$0.11 million and (v) current portion of lease liabilities of S\$8,000, partially offset by an increase in (i) current portion of borrowings of S\$30,000 and (ii) provision for reinstatement cost of S\$5,000.

As a result of the foregoing, the Group recorded net liabilities of S\$1.99 million as at 31 December 2023.

Going concern assumption

During FY2024, the Group reported a net loss of S\$3.43 million and a net operating cash outflows of S\$2.31 million. As at 31 December 2024, the Group's current liabilities exceeded its current assets by S\$1.24 million. Nevertheless, the Group's management is of the view that it is appropriate for the financial statements of the Group and the Company to be prepared on a going concern basis after taking into consideration the following: (i) Mr. Zhu, the shareholder and director of the Company, having given an undertaking that he will provide continuing financial support to the Group and the Company to enable them to continue their operations as a going concern and to meet their current liabilities as and when these are due for payments for the next 12-months, and (ii) the Group's management has prepared a consolidated cash flow forecast for a 18-months period from 1 January 2025 to 30 June 2026 and it showed that the Group will be able to generate sufficient cash flows in the next 18-months from 31 December 2024 to meet their financial obligations as and when they fall due. For further details on the going concern assumption, please refer to pages 78 to 80 of the Group's Annual Report 2024 as announced via the SGXNet on 14 April 2025.

4.3 Historical unaudited financial results of EFM CN

Based on EFM CN's unaudited financials, EFM CN recorded net losses of S\$413,308 in the financial period from 1 August 2024 to 31 December 2024. Its expenses mainly comprise (i) marketing expenses, (ii) professional and secretarial fees, (iii) staff salaries and CPF and (iv) printing and stationery. The bulk of expenses relates to marketing expenses which contribute to S\$400,000 or 96.8% of EFM CN's total expenses.

APPENDIX 1 – IFA LETTER

Based on EFMCN's unaudited financials, EFMCN recorded net liabilities of S\$413,307 as at 31 December 2024. Its current assets comprise (i) bank balances and (ii) advance billings relating to corporate secretarial fees. Its current liabilities comprise (i) other creditors, (ii) amounts due to holding company and shareholder, (iii) accruals and (iv) provisions for annual leave. The majority of EFMCN's liabilities are attributable to amounts due by EFMCN to Mr. Zhu of S\$410,000 or 98.9% of EFMCN's total liabilities.

Save as disclosed in this IFA Letter, the Circular and the unaudited financial statements of EFMCN as at 31 December 2024, the Directors and Management have confirmed to us that, to the best of their knowledge and belief, as at the Latest Practicable Date:

- (i) there are no material events that have or will likely have a material impact to the financial position of EFMCN since 31 December 2024;
- (ii) there are no other contingent liabilities, unrecorded earnings or expenses, or bad or doubtful debts or material events which are likely to have a material impact on the net liability position of EFMCN as at 31 December 2024;
- (iii) there is no litigation, claim or proceeding pending or threatened against EFMCN or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of EFMCN as at 31 December 2024;
- (iv) there are no material acquisitions or disposals of assets by EFMCN between 31 December 2024 and the Latest Practicable Date, and the Group does not have any plans for such impending material acquisition or disposal of assets, conversion of the use of its material assets or material changes in the nature of EFMCN's business; and
- (v) there are no material changes to the accounting policies and methods of computation which may materially affect the net liability position of EFMCN as at 31 December 2024.

4.4 Assessment of Subscription Price of each new EFMCN Share

EFMCN has an issued and paid-up share capital of S\$1.00 comprising one EFMCN Share as at the Latest Practicable Date. The net liabilities of EFMCN were S\$413,307 as at 31 December 2024.

The Subscription Price for each new EFMCN Share issued to Mr. Zhu pursuant to the Proposed EFMCN Subscription is S\$1.00. The Subscription Price is at a premium of S\$413,308 to the net liability per EFMCN Share of S\$413,307 as at 31 December 2024.

4.5 Other relevant considerations

In assessing the terms of the Proposed EFMCN Subscription by Mr. Zhu, we have also considered the following:

4.5.1 Financial Effects of the Proposed EFMCN Subscription

The financial effects of the Proposed EFMCN Subscription are purely for illustrative purposes only and have been prepared based on the latest audited consolidated financial statements of the Group for FY2024 and are therefore not necessarily indicative of the actual financial performance and financial position of the Group. Shareholders are advised to read the information set out in Section 5.11 of the Circular carefully, including the bases and assumptions set out therein.

APPENDIX 1 – IFA LETTER

The salient financial effects to the Group upon completion of the Proposed EFM CN Subscription are as follows:

(i) Share capital

The issued and paid-up Shares (excluding treasury shares) will remain unchanged at 1,690,758,836 Shares. The issued and paid-up share capital of the Group as at 31 December 2024 will remain unchanged at approximately S\$62.85 million.

(ii) NTL per Share

NTL per Share as at 31 December 2024 will decrease from 0.13 \$ cents as at 31 December 2024 to 0.12 \$ cents after the Proposed EFM CN Subscription.

(iii) Loss per Share (“LPS”)

LPS for FY2024 will decrease from 0.35 \$ cents in FY2024 to 0.33 \$ cents after the Proposed EFM CN Subscription.

We recommend the Non-Interested Directors to advise the Shareholders to read Section 5.11 of the Circular carefully, in particular the bases and assumptions relating to the preparation of the financial effects of the Proposed EFM CN Subscription by Mr. Zhu on the Group.

4.5.2 Abstention from recommendation and voting

Pursuant to Rule 919 and Rule 921 of the Catalist Rules, Mr. Zhu will abstain, and has undertaken to ensure that his associates (if any) will abstain, from voting on the Proposed EFM CN Subscription by Mr. Zhu. Mr. Zhu and his associates (if any) will also decline to accept appointment as proxy for any Shareholder to vote in respect of the Proposed EFM CN Subscription by Mr. Zhu, unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast.

4.5.3 Dilution in percentage of shareholding of public shareholders

Pursuant to the Proposed EFM CN Subscription, Mr. Zhu and the Company will be subscribing for an aggregate of 204,080 new EFM CN Shares to be undertaken such that the Company retains a controlling stake in EFM CN and that the resultant shareholding interest of Mr. Zhu and the Company in EFM CN shall be 49% and 51% respectively. Accordingly, Mr. Zhu will be subscribing for 100,000 new EFM CN Shares at the same Subscription Price of S\$1.00 per new EFM CN Share as the Company.

Upon completion of the Proposed EFM CN Subscription, the shareholding of the Company in the capital of EFM CN will decrease by approximately 49 percentage points, from 100.0% to 51.0%. The dilution of interest is not expected to have any material impact on the consolidated LPS and/or NTL per Share of the Group for FY2025.

5 OUR OPINION

In determining if the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, we have considered the views and representations made by the Directors and the Management, and reviewed and deliberated on, *inter alia*, the following factors:

- (a) rationale for and the benefit to the Company arising from the Proposed EFM CN Subscription by Mr. Zhu;
- (b) historical financial results of the Group;

APPENDIX 1 – IFA LETTER

- (c) historical financial results of EFMCN;
- (d) assessment of the Subscription Price of each new EFMCN Share; and
- (e) other relevant considerations as set out in Section 4.5 of this IFA Letter.

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 which we have taken into account, be read in its entirety.

Having considered carefully the information available to us as at the Latest Practicable Date and based on our analyses, we are of the opinion that the Proposed EFMCN Subscription by Mr. Zhu as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

We would like to highlight that the above analyses are based upon market, economic, industry, monetary and other conditions prevailing as well as information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent developments after the Latest Practicable Date that may affect our opinion contained therein.

We wish to emphasise that the Directors or the Management have not provided us with any financial projections or forecasts in respect of EFMCN, the Company or the Group and we have, *inter alia*, relied on the relevant statements contained in the Circular, confirmations, advice and representations by the Directors and the Management, and the Company's announcements in relation to the Proposed EFMCN Subscription by Mr. Zhu. In addition, the Directors should note that we have arrived at our opinion based on information made available to us prior to and including the Latest Practicable Date.

We would like to highlight that we do not express any opinion on the rationale for, as well as the legal and commercial risks and/or merits (if any) of the Proposed EFMCN Subscription by Mr. Zhu, which remains the sole responsibility of the Directors. It is also not within our terms of reference to provide an opinion on the relative merits of Proposed EFMCN Subscription by Mr. Zhu *vis-à-vis* any alternative transaction(s) previously considered by the Company or transaction(s) that the Company may consider in the future.

We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Catalist Rules as well as for use by the Non-Interested Directors in connection with their consideration of the Proposed EFMCN Subscription by Mr. Zhu, but any recommendations made by the Non-Interested Directors in respect of the Proposed EFMCN Subscription by Mr. Zhu shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes other than relating to the Proposed EFMCN Subscription by Mr. Zhu as an interested person transaction, at any time and in any manner without the prior written consent of ZICO Capital. 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 faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Nathaniel Tan Jing Sheng
Chief Executive Officer

Leong Huey Miin
Managing Director, Corporate Finance

NOTICE OF EXTRAORDINARY GENERAL MEETING

BIOLIDICS LIMITED

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Biolidics Limited (the “**Company**”) will be held at 18 Howard Road, #02-07 Novelty BizCentre, Singapore 369585 on Tuesday, 17 June 2025 at 10.30 am (“**EGM**” or the “**Meeting**”) for the purpose of considering, and if thought fit, passing (with or without any modification) the following resolutions 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 26 May 2025 (the “**Circular**”).

SPECIAL RESOLUTION 1: PROPOSED CHANGE OF NAME OF THE COMPANY

That:

- (a) the name of the Company be changed from “**Biolidics Limited**” to “**Embracing Future Holdings Limited**” and that the name “**Embracing Future Holdings Limited**” be substituted for “**Biolidics Limited**” whenever the latter name appears in the Constitution of the Company; and
- (b) the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Change of Name and/or this resolution.

ORDINARY RESOLUTION 2: THE PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF THE GROUP TO INCLUDE THE NEW BUSINESSES

That:

- (a) approval be and is hereby given for the diversification by the Group of its Existing Business to include the Green Energy Business and AI Agent Business segments, which would involve the ownership, operation and management of Green Energy Business and/or AI Agent Business (the “**New Businesses**”), and any other activities related to the New Businesses;
- (b) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares or interests in any entity that is in the New Businesses on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 3: THE PROPOSED YUAN SHARES ISSUANCES

That:

- (a) pursuant to Section 161 of the Companies Act and Chapter 8 of the Catalist Rules, approval be and is hereby given to the Directors for the proposed allotment and issuance of 35,000,000 Yuan Sign-On Shares to Mr. Yuan in accordance with the Yuan Service Agreement;
- (b) pursuant to Section 161 of the Companies Act and Chapter 8 of the Catalist Rules, approval be and is hereby given to the Directors for the proposed allotment and issuance of a discretionary number of Yuan Performance Bonus Shares, being an amount up to 391,304,348 Yuan Performance Bonus Shares to Mr. Yuan for the three (3) financial years period up until 31 December 2027 in accordance with the Yuan Service Agreement; and
- (c) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this resolution as they or he may think fit.

Note to Ordinary Resolution 3:

- (1) Pursuant to Rule 812(2) of the Catalist Rules, Mr. Yuan and his associates will abstain from exercising any voting rights in relation to Ordinary Resolution 3.

ORDINARY RESOLUTION 4: THE PROPOSED RATIFICATION OF THE 4Q2024 ZH LOAN AGREEMENTS AS INTERESTED PERSON TRANSACTIONS

That:

- (a) the 4Q2024 ZH Loan Agreements being interested person transactions for the purposes of Chapter 9 of the Catalist Rules, be and is hereby ratified, confirmed, and/or approved (as the case may be); and
- (b) any of the Directors of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with the 4Q2024 ZH Loan Agreements and to give effect to this resolution (including but not limited to the execution of ancillary agreements, procurement of third party consents and amendment to the 4Q2024 ZH Loan Agreements) as he shall think fit and in the interests of the Company; and
- (c) all actions taken by the Company and/or the Directors of the Company in connection with, relating to or arising from the 4Q2024 ZH Loan Agreements prior to this resolution being passed be and are hereby ratified, confirmed and approved.

Note to Ordinary Resolution 4:

- (1) Pursuant to Rule 919 of the Catalist Rules, Mr. Zhu and his associates will abstain from exercising any voting rights in relation to Ordinary Resolution 4.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 5: THE PROPOSED EFM CN SUBSCRIPTION BY MR. ZHU AS AN INTERESTED PERSON TRANSACTION

That:

- (a) approval be and is hereby given for the Proposed EFM CN Subscription by Mr. Zhu, on the terms and subject to the conditions set out in the ZH EFM CN Loan Agreement (as amended, modified and supplemented by the Supplemental ZH EFM CN Loan Agreement), and any other transactions and/or ancillary documents contemplated under the ZH EFM CN Loan Agreement, as an interested person transaction under Chapter 9 of the Catalist Rules; and
- (b) any of the Directors of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with the Proposed EFM CN Subscription by Mr. Zhu and to give effect to this resolution (including but not limited to the execution of ancillary agreements, procurement of third party consents and amendment to the ZH EFM CN Loan Agreement) as he shall think fit and in the interests of the Company.

Note to Ordinary Resolution 5:

- (1) Pursuant to Rule 919 of the Catalist Rules, Mr. Zhu and his associates will abstain from exercising any voting rights in relation to Ordinary Resolution 5.

BY ORDER OF THE BOARD

Mr. Zhu Hua
Executive Director and Chairman

26 May 2025

Notes:

- 1. The members of the Company are invited to attend physically at the EGM. **There will be no option for members to participate virtually.**
- 2. A printed copy of the Circular will not be sent to members unless requested by the members pursuant to a submitted request. Members 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 2 June 2025.
- 3. Printed copies of this Notice of EGM ("**Notice**"), Proxy Form and the Request Form (to request for the Circular) have been despatched to the members. The Circular, Notice and Proxy Form can also be accessed electronically by the members on the Company's website at the URL www.biolidics.com, and on the SGXNet website at <https://www.sgx.com/securities/company-announcements>
- 4. The members of the Company may participate in the EGM by:
 - (a) attending the EGM in person;
 - (b) raising questions at the EGM or submitting questions in advance of the EGM; and/or
 - (c) voting at the EGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

Please bring along your NRIC/passport as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the EGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the EGM, if they are unwell.

- 5. 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. A member of the Company who is a Relevant Intermediary may appoint more than two (2) proxies to attend, speak and vote at the EGM of the Company, provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
7. For investors who hold shares through relevant intermediaries, including the CPF Investors and/or the SRS Investors who are unable to attend the EGM but would like to appoint the Chairman of the EGM as their proxy should approach their respective CPF Agent Banks or SRS operators, through which they hold such shares, to submit their votes at least seven (7) working days before the EGM that is by 10.30 am on Thursday, 5 June 2025, in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit the Proxy Form to appoint the Chairman of the EGM to vote on their behalf no later than the Proxy Deadline. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the EGM.
8. The instrument appointing a proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com.

in either case, by 10.30 am on Saturday, 14 June 2025, being seventy-two (72) hours before the time appointed for holding the EGM and in default, the instrument of proxy shall be treated as invalid.

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

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register (as defined in Section 81SF) of the Securities and Futures Act 2001 of Singapore), the Company may reject any instrument appointing a proxy(ies) lodged if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM (i.e., by 10.30 am on Saturday, 14 June 2025), as certified by The Central Depository (Pte) Limited to the Company.
10. Members may submit substantial and relevant questions in relation to the resolutions to be tabled and approval at the EGM, in advance of the EGM, in the following manner:
 - (a) by email to circular@biolidics.com; or
 - (b) in hard copy by sending personally or by post to the registered address of the Company at 18 Howard Road #11-09 Novelty BizCentre, Singapore 369585.

All questions must be submitted within seven (7) calendar days from the date of this Notice (i.e., by Monday, 2 June 2025) ("**Cut-Off Time**").

The Company will endeavour to address questions which are substantial and relevant to the resolutions to be tabled for approval at the EGM and received from members who are verifiable against the Depository Register or the Register of Members. The Company's responses to the questions from members will be posted on the SGXNet at <https://www.sgx.com/securities/company-announcements> no later than forty-eight (48) hours before the closing date and time for lodgement of the Proxy Form. **Where substantially similar questions are received, the Company may consolidate such questions and consequently not all question may be individually addressed.**

The Company will address any subsequent clarification sought, or substantial and relevant follow-up questions received after the Cut-Off Time which have not already been addressed prior to the EGM, at the EGM itself.

Verified members and proxy(ies) attending the physical meeting will be able to ask questions in person at the EGM. The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNet and the minutes will include the responses to the questions referred to above.

* 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

EXTRAORDINARY GENERAL MEETING

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

IMPORTANT:

1. 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, SRS Investors shall be precluded from attending the EGM.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We, _____ (Name) _____ (NRIC/Passport/Co Reg No.)

of _____ (Address)

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

Name	NRIC/Passport/ Co Reg No.	Proportion of Shareholdings	
Address		No. of Shares	%

*and/or

Name	NRIC/Passport/ Co Reg No.	Proportion of Shareholdings	
Address		No. of Shares	%

or failing *him/her/them, the Chairman of the extraordinary general meeting ("**EGM**") as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the EGM to be held at 18 Howard Road, #02-07 Novelty BizCentre, Singapore 369585 on Tuesday, 17 June 2025 at 10.30 am and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolutions 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 *his/her discretion. The resolutions put to vote at the EGM shall be decided by poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For", "Against" or "Abstain" for each Resolution in the boxes provided as appropriate.

No.	Resolutions	For	Against	Abstain
1	To approve the Proposed Change of Name			
2	To approve the Proposed Diversification			
3	To approve the Proposed Yuan Shares Issuances			
4	To approve the Proposed Ratification of the 4Q2024 ZH Loan Agreements as interested person transactions			
5	To approve the Proposed EFM CN Subscription by Mr. Zhu as an interested person transaction			

Dated this _____ day of _____ 2025

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

Signature(s) 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 he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named.
4. A member of the Company who is a Relevant Intermediary may appoint more than two (2) proxies to attend, speak and vote at the EGM of the Company provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted by post, must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, must be submitted via email to Company's Share Registrar, B.A.C.S Private Limited at main@zicoholdings.com.in either case, by 10.30 am on Saturday, 14 June 2025, being seventy (72) hours before the time appointed for holding the EGM and in default, the instrument of proxy or proxies shall be treated as invalid.
6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) 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(ies) 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.
7. 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.
8. 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.

* A Relevant Intermediary means:

- (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 26 May 2025.