

BIOLIDICS LIMITED
(Company Registration Number 200913076M)
(Incorporated in the Republic of Singapore)

PROPOSED SUBSCRIPTION OF 230,769,231 NEW ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF BIOLIDICS LIMITED

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Biolidics Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 3 October 2023, entered into a binding term sheet (together with its supplemental terms and conditions, the “**Term Sheet**”) with Mr Zhu Hua (the “**Investor**”) in relation to the proposed subscription (“**Proposed Subscription**”) by the Investor of 230,769,231 new ordinary shares in the issued share capital of the Company (“**New Shares**”), at a subscription price of S\$0.0065 per New Share (“**Subscription Price**”), for an aggregate subscription amount of S\$1.50 million (“**Subscription Amount**”).

As at the date of this announcement, the Company has an issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of 559,126,605 ordinary shares (“**Shares**”). The 230,769,231 New Shares will represent approximately 29.22% of the enlarged issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company immediately after the issuance of the New Shares. Accordingly, the Proposed Subscription, if completed, will result in a transfer of controlling interest in the Company to the Investor and approval of shareholders of the Company (“**Shareholders**”) for the Proposed Subscription will be required at an extraordinary general meeting to be convened.

2. INFORMATION OF THE INVESTOR

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

As at the date of this announcement, the Investor is an independent third party who is unrelated to the Directors and substantial shareholders of the Company, and the Investor 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

and is not a person to whom the Company is prohibited from issuing Shares to, as provided for under Rule 812 of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”).

The Investor was introduced to the Company by Crowe Horwarth First Trust Corporate Advisory Pte. Ltd. (“**Introducer**”).

3. SALIENT TERMS OF THE TERM SHEET

The principal terms in relation to the Proposed Subscription under the Term Sheet are as follows:

Number of New Shares	230,769,231 New Shares
Subscription Price	S\$0.0065 per New Share
Subscription Amount:	S\$1.50 million
Conditions Precedent	<ol style="list-style-type: none">1. Entry into of a subscription agreement for the Proposed Subscription (“Subscription Agreement”) and the parties having obtained the necessary approval for the listing and quotation of the New Shares on the SGX-ST as well as other applicable consents, approvals, statements of no objections, waivers, orders, grants, confirmations, permissions and authorisations required;2. Approval of Shareholders at an extraordinary general meeting of the Company to be convened;3. Submission of proof of funds and satisfactory conduct of Know-Your-Client checks by the Company on the Investor; and4. Continued trading of the Shares on the Catalist board of the SGX-ST.
Exclusivity	The Company undertakes to work exclusively with the Investor towards the successful completion of the Proposed Subscription and will not engage in discussions or enter into agreements with any third parties with the intention of issuing new Shares or securities of the Company other than to the Investor.
Board of Directors	The Company undertakes to maintain the composition of its current Board until the completion of the Proposed Subscription, apart from the Non-Executive Independent

Chairman of the Company who will be stepping down from the Board on 30 November 2023.

The Investor intends to seek a Board seat as a Non-Executive Director of the Company upon the completion of the Proposed Subscription.

Anti-Dilution	The Company undertakes not to engage in any fund-raising exercise for a period of 6 months subsequent to the Proposed Subscription without the consent of the Investor.
Long-stop Date	If any of the conditions precedent as set out in the Term Sheet is not satisfied or waived (as the case may be) by 15 November 2023 (or such other date as the parties may agree in writing), the Subscription Agreement (if entered into) shall terminate.
Introducer's Fee	An introducer's fee of 3.50% of the Subscription Amount will be payable by the Company to the introducer.

4. RATIONALE FOR THE PROPOSED SUBSCRIPTION

As at the date of this announcement, the Company has an amount of S\$2,138,750 owing to Clearbridge BSA Pte. Ltd. ("**CBSA**"), and which will be payable by the Company to CBSA no later than 25 November 2023 ("**Outstanding Debt**"). The Company therefore intends to undertake the Proposed Subscription and utilise the net proceeds from the Proposed Subscription, together with its internal resources, to repay the Outstanding Debt.

In addition, the Investor has indicated in the Term Sheet that following the completion of the Proposed Subscription, he intends to undertake a strategic review of the Group's existing business and recommend new businesses, where appropriate, to the Board and has also warranted to provide financial support to the Group by way of, *inter alia*, interest-free shareholder's loans.

Accordingly, the Board is of the view that the Proposed Subscription is in the best interests of the Group and its shareholders.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Subscription, save for their respective shareholding interests in the Company, if any.

6. UPDATE ON THE PROPOSED DEBT ASSIGNMENT BY CBSA

As set out in the Company's announcement dated 25 September 2023 ("**25 September Announcement**"), CBSA has entered into deeds of assignment ("**Assignment Deeds**") with certain individuals ("**Assignees**") in relation to the assignment of the Outstanding Debt to the Assignees ("**Proposed Debt Assignment**"), subject to, *inter alia*, consent from the Company being obtained by CBSA for the transactions contemplated by the Assignment Deeds and the Assignees entering into a new convertible loan agreement with the Company ("**Convertible Loan Agreement**"). Please refer to the 25 September Announcement for further details.

The Board wishes to announce that, after careful consideration and in view of the entering into of the Term Sheet and the Proposed Subscription, the Company has decided not to proceed with the transactions in connection with the Proposed Debt Assignment, including, *inter alia*, the entering into of the Convertible Loan Agreement with the Assignees.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements upon the execution of the Subscription Agreement and/or when there are material developments in respect of the Proposed Subscription.

8. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company should be cautioned that there is no assurance that the Subscription Agreement will be entered into, and that the Proposed Subscription will be completed. Shareholders and potential investors of the Company are hereby reminded to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Song Tang Yih
Executive Director and Chief Executive Officer
3 October 2023

*This announcement has been prepared by the Company and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with Rules 226(2)(b) and 753(2) of the Catalist Rules.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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