

PROPOSED ISSUANCE OF SIGN-ON SHARES TO CHEN LU

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 based on the Service Agreement signed on 20 March 2024 (the “**Agreement**”) by the Company and Chen Lu (the “**Executive**”), (each a “**Party**”, and together, the “**Parties**”) the Company will issue shares representing 4.5% of the issued and paid-up capital of the Company as at the date of the Agreement, being 33,514,148 Shares, (the “**Sign-On Shares**”), on or before 31 March 2024, or on a date to be mutually agreed by the Parties.

Pursuant to the terms of this Agreement, subject to the applicable laws of Singapore and the rules and regulations of SGX-ST, and subject to Executive’s receipt of an employment pass to work in the Company, the Company shall employ the Executive and the Executive shall serve the Company as a full-time Executive Director, under the direction and supervision of, and reporting to, the Board.

2. SALIENT TERMS OF THE AGREEMENT

The salient terms of the Agreement and Sign-On Shares Issuance are as follows:

2.1 Terms of Agreement

Appointment and Duration: The Agreement shall commence with effect from and as of the date on which the Ministry of Manpower approves and issues the Executive’s employment pass sponsored by the Company (the “**Effective Date**”) and the Employment shall continue (subject to earlier termination as provided in this Agreement) after the Effective Date for an initial term of three years and thereafter shall automatically continue from year to year unless terminated in accordance with this Agreement.

Termination: The Parties may by mutual agreement waive or vary the notice requirement. The Company may also terminate the Agreement upon the occurrence of certain events such as if the Executive commits any material or repeated breach of any of the provisions of the Agreement, is guilty of fraud, dishonesty or serious misconduct, ceases to hold an employment pass to work for the Company, 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 Employment, the Executive shall, upon the request of the Company, resign from all offices held in the Company and shall delivery to the Company, in proper order and condition, all books, documents, papers, materials and any other property or assets relating to the business or affairs of any Group Company which may be in the Executive’s possession or control.

Salary, Benefits and Bonuses: The remuneration of the Executive may be reviewed from time to time and may be adjusted by such amount as may be determined by the Board in its absolute discretion (with the Executive abstaining from voting on any such resolution. The Executive shall be entitled to an annual wage supplement of one month’s salary in respect of each

complete year of service or part thereof. The Executive may, in respect of each financial year, be entitled to receive an annual discretionary bonus after the audited financial statements for the relevant year have been approved by the Board, which shall be at the sole discretion of the Board and/or the Remuneration Committee, taking into account the performance of the Executive and the Company against performance goals set by the Company. Subject to the receipt of the approvals of the shareholders of the Company, SGX-ST and any other regulatory authorities, and subject to the eligibility criteria set out in the relevant employee scheme or plan, including but not limited to the Biolidics Performance Share Plan ("PSP"), the Executive shall be eligible to participate in any employee incentive plan implemented by the Company, including the PSP, on such terms as may be determined by the Board or the Remuneration Committee at its sole and absolute discretion. For the avoidance of doubt, the salary, the annual wage supplement and the Bonus of the Executive shall be subject to pro-rating based on the Effective Date. The Executive shall, in respect of each financial year, be entitled to receive an annual performance bonus (the "**Performance Bonus**") equivalent to 5% of the Group's Operating EBITDA for that financial year to be paid either in cash and/or Shares, within two months after the audited consolidated financial statements of the Group for that financial year have been announced on the SGXNET. For the avoidance of doubt, the Board shall have the sole discretion, taking into consideration the Remuneration Committee's recommendations to determine the portion of the Performance Bonus under this clause to be satisfied in cash and/or in Shares (to be issued under a general mandate under Catalist Rule 806). The issue price of the Shares shall be calculated based on the volume weighted average price of the Shares for the three month period immediately prior to the date of issue of such Shares. If any part of the Performance Bonus shall be paid in Shares, the Company shall use all reasonable endeavours to procure the listing and quotation of such Shares on the Catalist board of the SGX-ST within a reasonable time, failing which such part of the Performance Bonus shall be payable to the Executive in cash. The reimbursement of any medical expenses of the Executive shall be determined in accordance with our Company's policies in place from time to time. All travelling, accommodation, entertainment and other out-of-pocket expenses reasonably incurred by him in the course of his employment will also be reimbursed by our Company.

2.2 **Sign-On Shares**

On the terms and subject to the conditions of the Agreement, the Company will issue 33,514,148 Shares to the Executive as Sign-On Shares at Nil consideration. The aggregate value of the Sign-On Shares is \$368,656, based on the volume-weighted average price of the Company's Shares on 20 March 2024 of S\$0.011, being the full market day on which Shares were traded on the date of execution of the Service Agreement. The NIL issue price was arrived at after taking into consideration, *inter alia*, the prevailing market conditions and financial performance of the Group, the recent share prices of the Company and the rationale for the Sign-On Shares Issuance as set out in Section 4 below.

The Sign-On Shares, when issued and delivered, 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 Sign-On Shares Issuance.

2.3 Additional Listing Application

The Company will, through Evolve, its continuing sponsor, be making an application to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing and quotation of the Sign-On Shares on the Catalist. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Sign-On Shares has been obtained from the SGX-ST.

The Sign-On Shares to be allotted and issued pursuant to the Sign-On Shares Issuance are conditional upon the grant of the listing and quotation notice by the SGX-ST and the conditions in the listing and quotation notice being fulfilled.

3. INFORMATION ON THE EXECUTIVE

3.1 Details of the shareholding of the Executive on completion of the Sign-On Shares Issuance are set out below:

Number of Sign-On Shares	Aggregate Value (\$)	Sign-On Shares as a % of the Existing Issued Share Capital⁽¹⁾	Sign-On Shares as a % of the Enlarged Issued Share Capital⁽²⁾
33,514,148	S\$368,656	4.50%	4.31%

Notes:

- (1) Number of Sign-On Shares divided by 744,758,836 Shares, being the number of issued shares in the capital of the Company as at the date hereof (the “Existing Issued Share Capital”).
- (2) Number of Sign-On Shares divided by 778,272,984 Shares, being the aggregate of the number of Sign-On Shares and the Existing Issued Share Capital.

3.2 The Executive is a citizen of the People’s Republic of China. He has vast experience in digital entertainment industry and has more than 20 years’ experience in software development. He holds a Master of Engineering from University of Electronic Science and Technology of China, and A Bachelor of Engineering from the same university.

3.3 The Executive 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) 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.

3.4 Save in relation to the Sign-On Shares, the Executive does not have any connection (including business relationship) with the Company, the Directors and/or the substantial Shareholders and does not fall within any of the categories of persons whom the Company is prohibited from issuing Shares to, as provided for under Rule 812 of the Catalist Rules. As at the date of this

announcement, the Executive does not hold any Shares or any other shareholding interests (direct or indirect) in the Company.

4. RATIONALE

At the extraordinary general meeting of the Company held on 23 February 2024, a members' resolution was passed for the diversification of the Group's existing business to include the new business of technology-enabled entertainment business, which would involve the ownership, operation and management of live streaming social e-commerce platforms, Esports-related businesses and multi-channel network businesses (the "**New Business**"). The New Business and related management will be spearheaded by Mr. Song Tang Yih, the Executive Director and Chief Executive Officer of the Company and the Executive will be supporting the strategic direction of the Group for the New Business

The Sign-On Shares are being issued to attract the Executive to enter into employment with the Company. Please refer to Section 2 of this announcement for the salient terms of the Sign-On Shares Issuance.

5. FINANCIAL EFFECTS OF THE SIGN-ON SHARES ISSUANCE

5.1 Bases and assumptions

The following are presented purely for illustrative purposes only and are neither indicative nor do they represent the actual future financial situation or any projection of the financial performance or position of the Group following completion of the Sign-On Shares Issuance. The financial effects of the Sign-On Shares Issuance on the Company as set out below are based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2022 ("**FY2022**"), as well as the following bases and key assumptions:

- (a) the financial effects of the Sign-On Shares Issuance on the Group's Net Tangible Loss ("**NTL**") per Share and Net Asset Value ("**NAV**") per Share are computed based on the assumption that the Sign-On Shares Issuance was completed on 31 December 2022;
- (b) the financial effects of the Sign-On Shares Issuance on the Group's loss per Share ("**LPS**") are computed based on the assumption that the Sign-On Shares Issuance was completed on 1 January 2022;
- (c) the expenses in connection with the Sign-On Shares Issuance are disregarded for the purpose of calculating the financial effects; and
- (d) save as set out above, there have not been any adjustments for the impact of any other transactions or events.

5.2 Share Capital

	Before the Sign-On Shares Issuance	After the Sign-On Shares Issuance
Number of Shares (excluding treasury shares) ('000)	744,759	778,273
Issued and paid-up Share capital (S\$'000)	56,215	56,584

5.3 NTL per Share

	Before the Sign-On Shares Issuance	After the Sign-On Shares Issuance
NTL attributable to the equity holders of the Company as at 31 December 2022 (S\$'000)	1,688	2,057
Number of Shares	744,759	778,273
NTL per Share (cents)	0.23	0.26

5.4 LPS

	Before the Sign-On Shares Issuance	After the Sign-On Shares Issuance
Loss attributable to equity holders of the Company for FY2022 (S\$'000)	9,428	9,797
Number of issued Shares ('000)	744,759	778,273
LPS (S\$ cents)	1.27	1.26

6. AUTHORITY FOR THE SIGN-ON SHARES ISSUANCE

- 6.1 As at the date of this announcement, the Company has an issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of 744,758,836 Shares. The Sign-On Shares represent approximately 4.50% of the issued share capital of the Company as at the date of this announcement and approximately 4.31% of the enlarged issued share capital of the Company immediately after the completion of the Sign-On Shares issuance.
- 6.2 The Sign-On Shares will be allotted and issued pursuant to the general mandate obtained from Shareholders at the annual general meeting of the Company held on 28 April 2023 for the issuance of Shares (the "**General Mandate**"). As at 28 April 2023, being the date the General Mandate was approved by Shareholders, the Company has an issued and paid-up share capital

(excluding treasury shares and subsidiary holdings) of 559,126,605 Shares. As at the date of this announcement, the Company has issued pursuant to the General Mandate

- 98,500,000 Shares to Mr Zhu Hua, pursuant to a subscription agreement dated 21 November 2023.
- 83,000,000 Shares to Mr Zhou Chao, pursuant to a subscription agreement dated 22 December 2023.
- 4,132,231 Shares to Evolve Capital Advisory Private Limited, pursuant to a Sponsor agreement dated 20 November 2023.

Accordingly, the remaining total number of Shares that may be issued pursuant to the General Mandate is 373,494,374 Shares, of which the maximum number of Shares that may be issued other than on a pro-rata basis is 93,931,071 Shares. As such, the 33,514,148 Sign-On Shares which may be issued pursuant to the Agreement fall within the limits of the Share Issue Mandate.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company and their respective associates has any interests, direct or indirect, in the Sign-On Shares Issuance, other than through their respective shareholding interests in the Company, if any.

8. CONFIRMATION BY DIRECTORS

The Sign-On Shares Issuance will not result in any new cash proceeds for the Company. The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. The Sign-On Shares Issuance is being undertaken for the reasons set out in Section 4 of this announcement.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement will be made 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 months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Sign-On Shares Issuance and appointment of executive director, as and when there are material developments.

11. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement (save for the information on Evolve in Section 3 of this announcement), and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts

about the Sign-On Shares Issuance, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading (save that in respect of information relating to Evolve in Section 3 of this announcement, such information is given based on information available to the Company as at the date of this announcement and is subject to further due diligence investigation and verification). Where information in this announcement 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 announcement in its proper form and context.

12. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Sign-On Shares Issuance will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Sign-On Shares Issuance. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Song Tang Yih
Executive Director and Chief Executive Officer
20 March 2024

This announcement has been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are:

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