

APPENDIX

APPENDIX DATED 12 APRIL 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS APPENDIX OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

This Appendix is circulated to the shareholders of Biolidics Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) together with the Company’s annual report for the financial year ended 31 December 2023 (the “**Annual Report**”). Its purpose is to provide shareholders of the Company with information relating to the Proposed Appointment of Auditors (as defined herein) to be tabled at the 2024 AGM (as defined herein) to be held on 29 April 2024 at 11.00 a.m. at Metropolitan YMCA Singapore (Cassia Room), 60 Stevens Road, Singapore 257854.

The ordinary resolutions proposed to be passed in respect of the Proposed Appointment of Auditors are set out as Ordinary Resolution 7 in the Notice of AGM (as defined herein) enclosed in the Annual Report.

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

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Evolve Capital Advisory Private Limited (the “**Sponsor**”). This Appendix has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any statements or opinions made, or reports contained in this Appendix.

The contact person for the Sponsor is Mr. Jerry Chua and Mr. Tan Jun Yong, who can be contacted at 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906, telephone: +65 6241 6626.



BIOLIDICS LIMITED

(Company Registration No. 200913076M)

(Incorporated in the Republic of Singapore on 19 July 2009)

APPENDIX TO THE NOTICE OF AGM IN RELATION TO THE PROPOSED APPOINTMENT OF PKF-CAP LLP AS AUDITORS OF THE COMPANY

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DEFINITIONS

In this Appendix, except where the context otherwise requires, the following definitions shall apply throughout:

“2024 AGM”	:	the annual general meeting of the Company to be held at Metropolitan YMCA Singapore (Cassia Room), 60 Stevens Road, Singapore 257854 on 29 April 2024 at 11.00 a.m.
“ACRA”	:	the Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	the annual general meeting of the Company
“Annual Report”	:	The annual report of the Company for FY2023
“Appendix”	:	this Appendix to the Notice of AGM dated 12 April 2024
“Associate”	:	(a) in relation to any individual, including a Director, CEO, 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
“Baker Tilly”	:	Baker Tilly TFW LLP
“Board”	:	the board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be
“Business Day”	:	a day other than a Saturday, a Sunday, or a gazetted public holiday in Singapore
“Catalist”	:	the Catalist board of the SGX-ST
“Catalist Rules”	:	the SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“CDP”	:	the Central Depository (Pte) Limited
“Company”	:	Biolidics Limited
“Companies Act”	:	the Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
“Constitution”	:	the Constitution of the Company, as may be amended, modified or supplemented from time to time

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“control”	:	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	a person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a 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 Appendix or from time to time, as the case may be
“Disclaimer of Opinion”	:	Disclaimer of opinion issued by Baker Tilly to the Company for the financial year ended 31 December 2023 as announced on 1 April 2024
“EGM”	:	the extraordinary general meeting of the Company
“Financial Year”	:	each period of 12 months or more or less than 12 months, at the end of which the balance of accounts of the relevant company are prepared and audited, for the purpose of laying the same before an annual general meeting of the relevant company
“FY2023”	:	the financial year ended 31 December 2023
“Group”	:	the Company and its subsidiaries
“Latest Practicable Date”	:	18 March 2024, being the latest practicable date prior to the issue of this Appendix
“Notice of AGM”	:	the notice of the 2024 AGM
“PKF”	:	PKF-CAP LLP
“Proposed Appointment of Auditors”	:	the proposed appointment of PKF as auditors to the Company
“Securities Accounts”	:	the securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA” or “Securities and Futures Act”	:	the Securities and Futures Act 2001 of Singapore, as may be 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

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“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
“Subsidiary Holdings”	: Shares held by a subsidiary in accordance with the Companies Act
“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
“Treasury Shares”	: the Shares held in treasury by the Company
“%”	: per centum or percentage

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 Appendix 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 statutory or regulatory modification thereof and not otherwise defined in this Appendix 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 Appendix 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 Appendix may not be an arithmetic aggregation of the figures that precede them; and
- (g) the headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

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LETTER TO SHAREHOLDERS

BIOLIDICS LIMITED

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

Directors:

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

Registered Office:

18 Howard Road
#11-09 Novelty
BizCentre
Singapore 369585

12 April 2024

To: The Shareholders of the Company

Dear Sir/Madam,

THE PROPOSED APPOINTMENT OF PKF-CAP LLP AS AUDITORS OF THE COMPANY

1. INTRODUCTION

- 1.1. The Directors refer to the Notice of AGM dated 12 April 2024 accompanying the Annual Report of the Company for FY2023, and ordinary resolutions set out in the Notice of AGM in relation to the Proposed Appointment of Auditors.
- 1.2. The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Appointment of Auditors to be tabled at the 2024 AGM and to seek Shareholders' approval for the Ordinary Resolution 8 relating to the same as set out in the Notice of AGM.
- 1.3. This Appendix has been prepared solely for the purpose set out herein and may not be relied on by any persons (other than the Shareholders) nor for any other purpose.
- 1.4. The Company has appointed Icon Law LLC (the Singapore member of the ZICO Law Network), as the legal adviser to the Company for the Proposed Appointment of Auditors.

2. THE PROPOSED APPOINTMENT OF AUDITORS

2.1. Background and Rationale

The Company's Auditors, Baker Tilly, was appointed as the Auditors of the Company at the EGM held on 26 July 2023. However, Baker Tilly has indicated its intention not to seek re-appointment as the independent auditor of the Company and will retire at the conclusion of the upcoming 2024 AGM.

Following changes to the composition of the Board, re-constituted board committees as well as substantial shareholders during the current Financial Year, the Board is of the view that as part of ongoing good corporate governance initiatives and the Group's continual efforts to manage its overall business costs and expenses amidst the challenging business climate, given the Group's current level of activities and business, it would be an opportune time to review the appointment of auditors and benchmark its audit fees and realise cost efficiencies.

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In the Independent Auditors' Report dated 1 April 2024 issued by Baker Tilly in relation to the audited consolidated financial statements of the Group and the Company for FY2023, respectively, certain matters were flagged by Baker Tilly for disclaimer in the report ("**Disclaimer of Opinion**"). The basis for the Disclaimer of Opinion is in relation to the use of the Group's going concern assumption and the comparative information with respect to impairment assessment performed. For further information of the Disclaimer of Opinion, please refer to the Company's announcement and annual report for FY2023 released on the SGXNet on 1 April 2024 and 12 April 2024 respectively.

Following a review and evaluation of several reputable audit firms in Singapore, the Audit Committee, having considered, amongst others, the Audit Quality Indicators Disclosure Framework issued by ACRA, the adequacy of the resources and experience of PKF and the audit engagement partner assigned to the audit, other audit engagements of PKF, the Group's audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of PKF to be assigned to the audit, the fee structure and audit arrangements proposed by PKF, is of the opinion that PKF will be able to meet the audit requirements of the Group.

The Proposed Appointment of Auditors will allow the Group to save approximately 5.0% in audit fees in comparison to the audit fees incurred by the Group for FY2023. There will be no change in the scope of audit services, and the Company does not expect the reduction in cost to affect the standards and effectiveness of the audit to be undertaken.

After evaluation, the Audit Committee recommended the appointment of PKF as Auditors of the Company in place of Baker Tilly to the Board. The Board, in consultation with the Audit Committee and taking into consideration the requirements of Rule 712 and Rule 715 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), has determined that PKF is best suited to meet the existing needs and audit requirements of the Group. The Board is of the opinion that the Proposed Appointment of Auditors is in the best interests of the Company and the Shareholders and recommends that PKF be appointed as the new Auditors subject to shareholders' approval at the 2024 AGM.

In connection with the above, PKF has given its consent to act as Auditors of the Company, by way of a letter dated 1 April 2024, subject to the approval of Shareholders being obtained at the 2024 AGM. Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the appointment of PKF as Auditor in place of Baker Tilly must be specifically approved by Shareholders at a general meeting. The appointment of PKF would therefore take effect upon the date of approval of the Proposed Appointment of Auditors by Shareholders at the 2024 AGM, and if so appointed, PKF will hold office until the conclusion of the next AGM of the Company.

The Board wishes to express their appreciation for the services rendered by Baker Tilly in the past.

2.2. Information on PKF and the Audit Engagement Partner

The information on PKF and the audit engagement partner below was provided to the Company by PKF. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below. The Directors, however, have exercised due care and made reasonable enquiries as they deem necessary in reviewing the information.

2.2.1. Information on PKF

PKF is a firm of Chartered Accountants in Singapore and is registered with ACRA. PKF is considered a mid-tier accounting firm in Singapore and, together with its affiliated firms, services a wide array of auditing, accounting, taxation, corporate secretarial and advisory clients in diversified industries such as trading and manufacturing, shipping, fund and asset management, property management, professional services, fintech, medtech, mining and construction. Its partners, managers and directors have significant experience acting as auditors for several companies listed on the SGX-ST.

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PKF is part of a global network of accountancy firms which comprises member firms with over 400 offices in 150 countries and is bound together by a shared commitment to quality, integrity and the creation of clarity in a complex regulatory environment.

For more information about PKF, please visit its website at <https://www.pkfsingapore.com/>.

For the audit of the Group, the audit engagement team will comprise at least the following professionals: one (1) engagement partner, one (1) engagement quality control review partner, one (1) engagement manager/director, one (1) audit senior and two (2) audit associates.

2.2.2. About the Audit Engagement Partner

Mr. Jonathan Lim will be the audit engagement partner assigned to the audit of the Group.

Mr. Jonathan Lim is a Chartered Accountant and practicing member of the Institute of Singapore Chartered Accountants (ISCA), a public accountant registered with ACRA and a practicing member of CPA Australia.

Mr. Jonathan Lim has more than 13 years of public accounting experience in audit assurance and financial reporting with the Big Four and local accounting firms. Mr. Jonathan Lim began his career with EY Malaysia in 2011, before joining PwC Singapore in 2014. In 2020, he left PwC Singapore where he was an Audit Manager and joined a local Singapore accounting firm, as an Audit Senior Manager and subsequently became an Audit Partner in 2021.

During his career as an Audit Partner, Mr. Jonathan Lim managed an extensive portfolio of multinationals, private and public listed companies, and statutory boards which are involved in a wide variety of industries and businesses such as fund management, financial education services, investments, trading and distribution, charities, commodities brokers, construction and engineering services, IT software, logistics and shipping industries. He was also involved in internal audits, special audits and grant audits assignments of the Government's statutory boards, ministries, and public schools.

Mr. Jonathan Lim is a Chartered Accountant and a practicing member of the Institute of Singapore Chartered Accountants (ISCA) and a practicing member of CPA Australia.

The Audit Committee has enquired on whether the audit engagement partner has been subject to the Practice Monitoring Programme review by ACRA. In this regard, the Audit Committee has noted that the audit engagement partner has not been subjected to a Practice Monitoring Programme review by ACRA.

2.3. **Compliance with Rule 712 of the Catalist Rules**

Pursuant to Rule 712(3) of the Catalist Rules, the Company would like to highlight that:

- (a) the Company received a copy of Baker Tilly's professional clearance letter dated 1 April 2024 to PKF, confirming that save for the Disclaimer of Opinion and the basis for the Disclaimer of Opinion raised in their audit report dated 1 April 2024 on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2023, Baker Tilly is not aware of any professional reasons why PKF, should not accept appointment as the Company's Auditors;
- (b) the Company confirms that save for the Disclaimer of Opinion and basis for the Disclaimer of Opinion raised in their audit report dated 1 April 2024 on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2023, there were no disagreements with Baker Tilly on accounting treatments within the last 12 months up to the date of this Appendix;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Appendix;

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- (d) the Company confirms that the specific reasons for the Proposed Appointment of Auditors is as disclosed in this Appendix; and
- (e) the Company confirms that it is or will be in compliance with Rules 712 and 715 of the Catalist Rules in relation to the Proposed Appointment of Auditors.

2.4. Compliance with Rule 715 of the Catalist Rules

Upon obtaining the approval of Shareholders at the 2024 AGM for the Proposed Appointment of Auditors, PKF will become the auditors of the Company in place of Baker Tilly. PKF will also be appointed as auditors for the Company's Singapore-incorporated subsidiaries.

2.5. Recommendation of the Audit Committee

The Audit Committee, after having reviewed and deliberated, and after taking into consideration the suitability and independence of PKF in meeting the audit requirements of the Group, including the various factors as set out in Sections 2.1 and 2.2 of this Appendix, has recommended the Proposed Appointment of Auditors for approval by the Board.

3. INTERESTS 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⁾
<u>Directors</u>						
Gavin Mark McIntyre	–	–	–	–	–	–
Song Tang Yih	24,501,500	3.29	–	–	24,501,500	3.29
Ian David Brown	–	–	–	–	–	–
Ch'ng Li-Ling	–	–	–	–	–	–
Liew Yoke Pheng Joseph	–	–	–	–	–	–
Zhu Hua	98,500,000	13.23	–	–	98,500,000	13.23
<u>Substantial Shareholders (other than Directors)</u>						
Zhou Chao	83,000,000	11.14	–	–	83,000,000	11.14

Note:

- (1) Based on the total issued and paid-up share capital of the Company of 744,758,836 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

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 resolutions set out in the Notice of AGM, other than through their respective shareholding interest (if any) in the Company.

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4. DIRECTORS' RECOMMENDATIONS

Having considered the rationale and benefits of the Proposed Appointment of Auditors and the Audit Committee's recommendations, the Directors are of the opinion that the Proposed Appointment of Auditors is in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that Shareholders vote in respect of Ordinary Resolution 7 as set out in the Notice of AGM for the Proposed Appointment of Auditors to be proposed at the 2024 AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Appointment of Auditors to be tabled at the 2024 AGM, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix 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 Appendix in its proper form and context.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 18 Howard Road #11-09 Novelty BizCentre, Singapore 369585 during normal office hours from the date of this Appendix up to the date of the 2024 AGM:

- (a) the professional clearance letter issued by Baker Tilly to PKF dated 1 April 2024;
- (b) the letter of consent to act as auditors of the Company from PKF dated 1 April 2024;
- (c) the Constitution; and
- (d) the annual report of the Company for FY2023.

Yours faithfully

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

Mr. Song Tang Yih
Executive Director and Chief Executive Officer