

- (1) **THE PROPOSED ALLOTMENT AND ISSUANCE OF AN AGGREGATE OF UP TO 6,157,064 NEW SHARES IN THE CAPITAL OF THE COMPANY TO ECA, MR. ALI AND ICON LAW LLC**
  - (2) **THE PROPOSED ISSUANCE OF YUAN SIGN-ON SHARES AND YUAN PERFORMANCE BONUS SHARES IN RELATION TO THE YUAN SERVICE AGREEMENT**
  - (3) **THE PROPOSED CHANGE OF NAME OF THE COMPANY TO EMBRACING FUTURE HOLDINGS LIMITED**
  - (4) **THE PROPOSED DIVERSIFICATION OF THE GROUP'S EXISTING BUSINESS TO INCLUDE GREEN ENERGY BUSINESS AND ARTIFICIAL INTELLIGENCE AGENT BUSINESS**
  - (5) **THE PROPOSED RATIFICATION OF THE LOAN AGREEMENTS ENTERED INTO BY THE GROUP AND MR. ZHU HUA**
  - (6) **ENTRY INTO A SUPPLEMENTAL AGREEMENT IN CONNECTION WITH THE LOAN AGREEMENT ENTERED INTO BY EMBRACING FUTURE MCN PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF THE GROUP, AND MR. ZHU HUA**
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## **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 to the following:

- (a) the Company, and together with its wholly-owned indirect subsidiary, 深圳市小钊网络科技有限公司 (Shenzhen Xiaozhao Network Technology Co., Ltd)(“**SXNT**”) has on 16 May 2025 entered into a service agreement with Mr. Yuan Zhi Jun 袁志军 (“**Mr. Yuan**”)(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 new ordinary shares in the in the issued and paid-up share capital of the Company (“**Shares**”) to attract Mr. Yuan to enter into employment with SXNT (the “**Yuan Sign-On Shares**”) and to achieve performance targets set by SXNT and the Company (the “**Yuan Performance Bonus Shares**”)(the “**Proposed Yuan Shares Issuance**”), further details of which are set out in section 2.1 of this announcement;
- (b) the Company and Evolve Capital Advisory Private Limited (“**ECA**”) has on 16 May 2025 entered into a supplemental agreement (“**ECA Supplemental Agreement**”) to the engagement letter dated 9 May 2024 in relation to part of the final milestone payment of professional fees in connection with ECA acting as financial advisor with respect to the proposed acquisition of SXNT (the “**SXNT Acquisition**”) amounting to a total of S\$50,000 (the “**ECA Professional Fees**”) which shall be satisfied by the Company in full by way of the allotment and issuance of an aggregate of 2,630,887 new Shares (“**ECA Shares**”) (the “**Proposed ECA Shares Issuance**”), further details of which are set out in section 2.2 of this announcement;
- (c) the Company and Mr. Ali Asgar Saleem Bhagat (“**Mr. Ali**”) has on 16 May 2025 entered into a supplemental agreement (“**Ali Supplemental Agreement**”) to the consultancy agreement dated 1 April 2022 in relation to, *inter alia*, the payment of Mr. Ali’s service fees for post-termination services rendered to the Company for the period between April 2024 to September 2025 amounting to a total of S\$63,000 (the “**Ali Post-Termination Fees**”), which shall be satisfied by the Company in full by way of the allotment and issuance of an aggregate of 3,000,000 new Shares (“**Ali Shares**”) (the “**Proposed Ali Shares Issuance**”), further details of which are set out in section 2.3 of this announcement;

- (d) that pursuant to the engagement letter dated 25 March 2025 in connection with the appointment of Icon Law LLC ("**Icon Engagement Letter**"), the Company may make partial payment of the professional fees in connection with the Proposed Transactions (as defined below) (the "**Icon Professional Fees**") through the allotment and issuance of an aggregate of 526,177 new Shares (the "**Icon Shares**") (the "**Proposed Icon Shares Issuance**"), further details of which are set out in section 2.4 of this announcement;
- (e) the proposed change the name of the Company to Embracing Future Holdings Limited (the "**Proposed Change of Name**"), further details of which are set out in section 3 of this announcement;
- (f) the proposed diversification of the Group's business to include (i) Green Energy Business (as defined below) and (ii) AI Agent Business (as defined below) segments (the "**New Businesses**") (the "**Proposed Diversification**"), further details of which are set out in section 4 of this announcement;
- (g) the ratification of the following agreements as interested person transactions:
  - (i) the loan agreement dated 3 October 2024 entered into between the Company and Mr. Zhu Hua, the Executive Director and Chairman and substantial shareholder of the Company ("**Mr. Zhu**"), for an interest-free loan of S\$4,000,000 for working capital purposes (the "**ZH Biolidics Loan Agreement**" or the "**October 2024 ZH Biolidics Loan**"); and
  - (ii) the loan agreement dated 3 December 2024 entered into between Embracing Future MCN Pte. Ltd., a wholly-owned subsidiary of the Company ("**EFMCN**"), and Mr. Zhu for an interest-free loan of S\$410,000 for working capital purposes (the "**ZH EFMCN Loan Agreement**" or the "**December 2024 ZH EFMCN Loan**"),
 (collectively, the "**4Q2024 ZH Loan Agreements**"), further details of which are set out in section 5 of this announcement; and
- (h) the entry into a supplemental agreement dated 16 May 2025 between the Company, EFMCN and Mr. Zhu to amend, modify and supplement the ZH EFMCN Loan Agreement (the "**Supplemental ZH EFMCN Loan Agreement**") which contemplates the partial repayment of the loan by way of an allotment and issuance of 204,080 new ordinary shares in the share capital of EFMCN ("**EFMCN Shares**") to be subscribed by the Company and Mr. Zhu at the issue price of S\$1.00 per EFMCN Share, such that the Company retains a controlling stake in EFMCN and that the resultant shareholding interest of Mr. Zhu and the Company in EFMCN shall be 49% and 51% respectively (the "**Proposed EFMCN Subscription**") to be undertaken by Mr. Zhu for the purposes of the repayment of the December 2024 ZH EFMCN Loan, further details of which are set out in section 5.4 of this announcement,

(collectively, the "**Proposed Transactions**").

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**”).

The Company intends to convene an extraordinary general meeting (“**EGM**”) to seek approval of the shareholders of the Company (“**Shareholders**”) for the Proposed Yuan Shares Issuance, Proposed Change of Name, the Proposed Diversification, the ratification of the 4Q2024 ZH Loan Agreements, and the Proposed EFMN Subscription by Mr. Zhu. Further details will be set out in a circular to be released by the Company to the Shareholders in due course.

## **2. PROPOSED SHARE ISSUANCES**

### **2.1. The Yuan Service Agreement and the Proposed Yuan Shares Issuance**

#### **(a) Background and Rationale of the Yuan Service Agreement**

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 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 Embracing Future E-Sports Pte. Ltd. (“**EFE-Sports**”) and a wholly-owned indirect subsidiary of the Company.

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 (as defined herein), thereby reinforcing a results-oriented leadership approach by directly tying compensation to measurable business achievements, ensuring accountability and high performance.

#### **(b) Information on Mr. Yuan**

Mr. Yuan is a citizen of the People’s Republic of China (“**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.

As at the date of this announcement, 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 (the “**Existing Share Capital**”). Pursuant to the terms and

conditions of the SXNT Acquisition, 63,596,400 Shares, representing 3.76% interest in the Existing Share Capital of the Company (the “**Earn-Out Consideration Shares**”) 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.

(c) Term and Termination of the Yuan Service Agreement

The Yuan Service Agreement shall commence with effect from the date that the Shareholders’ approval is obtained for the Proposed Yuan Share Issuance 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 Issuance at the forthcoming EGM. In the event where the Shareholders do not approve the resolution in connection with the Proposed Yuan Shares Issuance, 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.

(d) Yuan Sign-On Shares

Pursuant to the Yuan Service Agreement, the Company shall, subject to the Company receiving the relevant approval(s) from 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 is S\$0.023, representing 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 Issuance as set out in section 2.1(a) 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 General Mandate Issuances and 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.

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.

(e) 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 audited net profit after tax ("**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.

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 Issuance as set out in section 2.1(a) 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 Singapore Code on Take-overs and Mergers (“**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 2.1(a) above, the Yuan Performance Bonus Shares are being issued to Mr. Yuan 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.

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% <sup>(1)</sup>
31 December 2027	130,434,783	2,123,220,248	638,292,348	30.06% <sup>(2)(3)</sup>

#### **Note:**

- (1) The resultant shareholding of Mr. Zhu Hua, 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 2.1(f) below in relation to the potential transfer of controlling interest.
- (2) The resultant shareholding of Mr. Zhu Hua, 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 2.1(f) 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% of 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.

(f) Potential Transfer of Controlling Interest

Rule 803 of the SGX-ST's Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. Under the 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.

As illustrated in the tables in section 2.1(e) 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 Hua, 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 Catalyst Rules.

As stated in section 2.1 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 Hua abstaining) may therefore determine whether the Yuan Performance Bonus shall be satisfied partly in cash and Shares such that the Proposed Yuan Shares Issuance would not result in a transfer of a "controlling interest" which would require specific Shareholders' approval pursuant to Rule 803 of the Catalyst 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 Share Issuance 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 Share Issuances will only result in the addition of a controlling shareholder by virtue of Mr. Yuan's shareholding exceeding 15% and Mr. Zhu Hua will remain as the single largest Shareholder of the Company. Accordingly, the Proposed Yuan Shares Issuance would not result in the transfer of a "controlling interest" which would require specific Shareholders' approval pursuant to Rule 803 of the Catalyst 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.

(g) Authority for the Proposed Yuan Shares Issuance

Rule 812 of the Catalyst 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.



As Mr. Yuan is a substantial shareholder of the Company as at the date of this announcement, Mr. Yuan falls under the class of restricted persons as specified in 812(1) of the Catalist Rules.

Accordingly, the Proposed Yuan Shares Issuance is subject to the LQN and the specific approval of the Shareholders to be sought at the EGM in accordance with Rules 805(1) and 812(2) of the Catalist Rules and section 161 of the Companies Act 1967 of Singapore. The Company will be convening the EGM to seek Shareholders' approval for the Proposed Yuan Shares Issuance.

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.

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 Issuance.

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

(h) Opinion of the Board in connection with the Yuan Performance Bonus and the Proposed Yuan Shares Issuance

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.

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.

## **2.2. Payment of ECA Professional Fees for the SXNT Acquisition**

The Company had appointed ECA as the financial adviser to the Company for the SXNT Acquisition. ECA is the Company's continuing sponsor. ECA is a capital markets services licensee for dealing in capital markets products and advising on corporate finance and is authorised as a full sponsor by the SGX-ST.

Pursuant to the ECA Supplemental Agreement, the Company shall allot and issue 2,630,887 ECA Shares at the issue price of S\$0.019 per ECA Share (the "**ECA Issue Price**") to ECA, as consideration for part of the final milestone payment of the professional fees in connection with the SXNT Acquisition.

The ECA Issue Price represents a 9.5% discount 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 the ECA Supplemental Agreement. The ECA Issue Price was arrived at after taking into consideration the prevailing market conditions and the recent share prices of the Company.

The ECA Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued shares of the Company at the time of the issue except that the ECA Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the ECA Shares.

The ECA Shares represent approximately 0.16% of the Existing Share Capital and approximately 0.15% of the enlarged share capital of the Company immediately after the completion of the issuance of the Yuan Sign-On Shares, ECA Shares, the Ali Shares and the Icon Shares.

The rationale for the Proposed ECA Shares Issuance is for the payment of the ECA Professional Fees and accordingly, no cash proceeds will be received by the Company from ECA.

There is no moratorium imposed on the ECA Shares. The allotment and issuance of the ECA Shares will not result in a transfer of controlling interest of the Company. There are no share borrowing arrangements for issuance of the ECA Shares.

As at the date of this announcement, save for the 4,132,231 Shares held by ECA, and save as disclosed above, ECA does not hold, directly or indirectly, any Shares and ECA does not have any connections (including business relationships) with any Director or substantial shareholder of the Company.

ECA has confirmed that, save for the 4,132,231 Shares held by ECA, it, or its partner or director, or associate of such partner or director, does not, individually or collectively, hold, directly or indirectly, any Shares. ECA further confirms that it is independent of and has no conflicts of interest with the Company.

To the best of the Company's knowledge, ECA is not related to the Directors, controlling shareholders of the Company, or their respective associates. To the best of the Company's knowledge, save as disclosed above, ECA does not have any connection (including business relationship) with the Company, its Directors and substantial shareholders, and ECA does not fall within any of the categories the Company is prohibited from issuing Shares to, as provided for by Rule 812 of the Catalist Rules.

### **2.3. The Ali Supplemental Agreement and the Payment of Ali Post-Termination Services Fees**

Mr. Ali is a citizen of the Republic of Singapore and he has been the Scientific and Technical Advisor to the Company since August 2020.

The Company and Mr. Ali acknowledge that the Consultant Agreement was terminated with effect from 31 March 2024. The Company last made payment of consultancy fees to the Consultant in March 2024.

Notwithstanding the termination of the Consultant Agreement, the Consultant has, from April 2024 to September 2025, continued to assist the Company in closing out all outstanding matters relating to patents, intellectual property rights, and licensing agreements. This includes, without limitation, negotiating discounts and payment terms with relevant counterparties (collectively, the **"Post-Termination Services"**).

Pursuant to the Ali Supplemental Agreement, the Company shall make payment of the Ali Post-Termination Services Fees through the allotment and issuance of 3,000,000 Ali Shares at the issue price of S\$0.021 per Ali Share (the **"Ali Issue Price"**).

The Ali Issue Price is equivalent 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 the Ali Supplemental Agreement. The Ali Issue Price was arrived at after taking into consideration the prevailing market conditions and the recent share prices of the Company.

The Ali Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued shares of the Company at the time of the issue except that the Ali Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Ali Shares.

The Ali Shares represent approximately 0.18% of the Existing Share Capital and approximately 0.17% of the enlarged share capital of the Company immediately after the completion of the issuance of the Yuan Sign-On Shares, ECA Shares, the Ali Shares and the Icon Shares.

The rationale for the Proposed Ali Shares Issuance is for the payment of the Ali Post-Termination Fees and accordingly, no cash proceeds will be received by the Company from Mr. Ali.

There is no moratorium imposed on the Ali Shares. The allotment and issuance of the Ali Shares will not result in a transfer of controlling interest of the Company. There are no share borrowing arrangements for issuance of the Ali Shares.

As at the date of this announcement, save for the 694,700 Shares held by Mr. Ali and save as disclosed above, Mr. Ali does not hold, directly or indirectly, any Shares and Mr. Ali does not have any connections (including business relationships) with the Company, any Director or substantial shareholder of the Company and he does not fall within any of the categories of persons whom the Company is prohibited from issuing Shares to, as provided for by Rule 812 of the Catalist Rules.

Save as for aforementioned, Mr. Ali has confirmed that he and his associates, do not hold, individually or collectively, directly or indirectly, any Shares or any instruments convertible into, rights to subscribe for and options in respect of Shares. Mr. Ali further confirms that he is independent of and has no conflicts of interest with the Company.

To the best of the Company's knowledge, Mr. Ali is not related to the Directors, controlling shareholders of the Company, or their respective associates. To the best of the Company's knowledge, save as disclosed above, Mr. Ali does not have any connection (including business relationship) with the Company, its Directors and substantial shareholders.

The Ali Supplemental Agreement further provides that the consultancy agreement entered between the Company and Mr. Ali has been terminated since 31 March 2024 and Mr. Ali shall continue to assist the Company in closing out all outstanding matters relating to patents, intellectual property rights and licensing agreements, including but not limited to negotiating discounts and payment terms with relevant counterparties.

#### **2.4. Payment of Icon Professional Fees for the Proposed Transactions**

The Company has appointed Icon Law LLC ("**Icon Law**") as the legal adviser to the Company for the Proposed Transactions. Icon Law is a law firm based in Singapore.

Based on the Icon Engagement Letter, the Company may make partial payment of the professional fees in connection with the Proposed Transactions (the "**Icon Professional Fees**") through the issuance of 526,177 Icon Shares at the issue price of S\$0.019 per Icon Share (the "**Icon Issue Price**").

The Icon Issue Price represents a 9.5% discount 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 the Board approval of the Icon Engagement Letter. The Icon Issue Price was arrived at after taking into consideration the prevailing market conditions and the recent share prices of the Company.

The Icon Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued shares of the Company at the time of the issue except that the Icon Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Icon Shares.

The Icon Shares represent approximately 0.03% of the Existing Share Capital and approximately 0.03% of the enlarged share capital of the Company immediately after the completion of the issuance of the Yuan Sign-On Shares, ECA Shares, the Ali Shares and the Icon Shares.

The rationale for the Proposed Icon Shares Issuance is for the payment of the Icon Professional Fees and accordingly, no cash proceeds will be received by the Company from Icon Law.

There is no moratorium imposed on the Icon Shares. The allotment and issuance of the Icon Shares will not result in a transfer of controlling interest of the Company. There are no share borrowing arrangements for issuance of the Icon Shares.

As at the date of this announcement, Icon Law does not hold, directly or indirectly, any Shares and Icon Law does not have any connections (including business relationships) with any Director or substantial shareholder of the Company.

Icon Law has confirmed that, save for the 10,000,200 Shares held by the managing director of Icon Law, it, or its partner or director, or associate of such partner or director, does not, individually or collectively, not hold, directly or indirectly, any Shares. Icon Law further confirms that it is independent of and has no conflicts of interest with the Company.

To the best of the Company's knowledge, Icon Law is not related to the Directors, controlling shareholders of the Company, or their respective associates. To the best of the Company's knowledge, save as disclosed above, Icon Law does not have any connection (including business relationship) with the Company, its Directors and substantial shareholders, and Icon Law does not fall within any of the categories the Company is prohibited from issuing Shares to, as provided for by Rule 812 of the Catalist Rules.

## 2.5. Authority for the Proposed Share Issuances

### (a) General Mandate

The ECA Shares, the Ali Shares and the Icon Shares will be allotted and issued pursuant to the General Mandate obtained from Shareholders by way of an ordinary resolution at the FY2024 AGM.

The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) as at the date of the FY2024 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a pro-rata basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares).

As at the FY2024 AGM, the Company had an issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of 1,690,758,836 Shares. As at the date of this announcement, no new Shares have been issued by the Company since the FY2024 AGM under the General Mandate. Accordingly, the maximum number of Shares that may be issued other than on a pro-rata basis pursuant to the General Mandate is 845,379,418. Accordingly, the proposed allotment and issuance of the 2,630,887 ECA Shares, 3,000,000 Ali Shares and 526,177 Icon Shares amounting to a total of 6,157,064 new Shares, falls within the limit of the General Mandate.

### (b) 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.

### (c) Rule 812(1) of the Catalist Rules

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 Issuance pursuant to Rule 812(2) of the Catalist Rules. Mr. Yuan will abstain from voting on the resolution to approve the Proposed Yuan Shares Issuance at the EGM.

## 2.6. Opinion of the Directors in connection with the Proposed Share Issuances

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, as at the date of this announcement, 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 date of this announcement, the working capital available to the Group will be sufficient to meet its present requirements.

## 2.7. Financial Effects of the Proposed Share Issuances and the Proposed EFM CN Subscription

The financial effects of the Proposed Share 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 Share Issuances.

The financial effects of the Proposed Share Issuances 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 net tangible assets ("**NTA**") per Share is computed based on the assumption that the Proposed Share Issuances and the Proposed EFM CN Subscription was completed on 31 December 2024;
- (c) the financial effect on the consolidated earnings per Share ("**EPS**") is computed based on the assumption that the Proposed Share 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, ECA Shares, Ali Shares and Icon Shares are allotted and issued;
- (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 Share Issuances are insignificant and ignored for computational purposes.

## **Share Capital**

	Minimum Scenario		Maximum Scenario	
	Number of Shares	S\$ ('000)	Number of Shares	S\$ ('000)
<b>Issued and paid-up share capital (excluding treasury shares)</b>	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
<b>Enlarged issued and paid-up share capital after the Proposed Share Issuances (excluding treasury shares)</b>	<b>1,797,133,291</b>	<b>65,274</b>	<b>2,123,220,248</b>	<b>72,774</b>

## **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 Issuance	After General Mandate Issuances and the Proposed EFM CN Subscription and Prior to the Proposed Yuan Shares Issuance	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	2,123,220
NTA per Share as at 31 December 2024 (Singapore cents)	(0.13)	(0.13)	(0.12)	(0.12)	(0.10)

## EPS

	Before the Proposed Share Issuances and the Proposed EFMCN Subscription	After General Mandate Issuances and Prior to the Proposed EFMCN Subscription and the Proposed Yuan Shares Issuance	After General Mandate Issuances and the Proposed EFMCN Subscription and Prior to the Proposed Yuan Shares Issuance	After the Proposed Share Issuances and the Proposed EFMCN 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)

### 3. THE PROPOSED CHANGE OF NAME OF COMPANY

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

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 diversification of the Group's business to include the technology-enabled lifestyle business (the **"2024 Business Diversification"**) and the Group further intends to diversify into the New Businesses as described in Section 4 below, 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.

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.

The Proposed Change of Name is subject to Shareholders' approval and will be tabled as a special resolution at the EGM to be convened.

The Accounting and Corporate Regulatory Authority of Singapore 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.

A circular containing, *inter alia*, the notice of the EGM and the details of the Proposed Change of Name will be dispatched to Shareholders in due course. The Company will make an



announcement upon further developments in relation to the Proposed Change of Name as and when appropriate.

## 4. THE PROPOSED DIVERSIFICATION

### 4.1. Background

Following the approval of the shareholders for the 2024 Business Diversification to include the technology-enabled entertainment business and the completion of the SXNT Acquisition of which SXNT is principally engaged in E-Sport services in the PRC, the principal activities of the Group and the Company are those relating to: (a) technology development, technology transfer, marketing, sale and distribution of biomedical technology, life and medicine science related products and services; (b) provision of laboratory services; (c) provision of E-sport services; and (d) investment holding, (collectively, the “**Existing Business**”).

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.

### 4.2. 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, hydro, 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**”).

The Group also proposes, as part of the New Businesses, 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 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. 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 has not committed to any specific business opportunity or investment under the New Businesses as at the date of this announcement.

The proposed diversification into the New Businesses will be funded 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.

### 4.3. 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.

(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.

#### **4.4. Shareholders' Approval**

The Proposed Diversification involves the New Businesses which are substantially different from the Existing Business, and is envisaged to change the existing risk profile of the Group. Pursuant to the Catalist Rules, Shareholders' approval is required for the Proposed Diversification. Accordingly, an EGM will be convened by the Company to seek approval from Shareholders for the Proposed Diversification.

Further details on the Proposed Diversification will be set out in a circular to be released by the Company to the Shareholders in due course, for the purpose of obtaining the approval of Shareholders in respect of the Proposed Diversification at the EGM to be convened. The EGM will allow Shareholders the opportunity to communicate their views on the Proposed Diversification, and consider, if thought fit, to approve the Proposed Diversification.

## 5. RATIFICATION OF THE LOAN AGREEMENTS ENTERED INTO BY THE GROUP AND MR. ZHU HUA

### 5.1. Background and Rationale

As announced by the Company, 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 “**4Q2024 ZH Loans**”). As at the date of this announcement, Mr. Zhu has provided additional working capital loans to the Group amounting to S\$2,136,000 pursuant to the 4Q2024 ZH Loan Agreements.

As disclosed in section 1 of this announcement, the Company and EFM CN entered into the Supplemental ZH EFM CN Loan Agreement with Mr. Zhu on 16 May 2025 to amend, modify and supplement the ZH EFM CN Loan Agreement. Under this agreement, it was mutually agreed that the working capital loan extended by Mr. Zhu to EFM CN shall be partially repaid through the allotment and issuance of new EFM CN Shares pursuant to the Proposed EFM CN Subscription by Mr. Zhu.

As at the date of the announcement, 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.

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, 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.

### 5.2. Information on the Lender, Mr. Zhu Hua

In addition to his capacity as Executive Director and Chairman, Mr. Zhu is a controlling shareholder of the Company with a direct interest of 505,500,000 Shares representing 29.90% of the Existing Share Capital of the Company as at the date of this announcement.

Accordingly, Mr. Zhu is an “interested person” of the Company and the entry into the ZH Biolidics Loan Agreement and the ZH EFM CN Loan Agreement (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 Catalist Rules. Further details are set forth in section 5.5 of this announcement.

### 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:

<b>Principal Amount</b>	: 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 “ <b>October 2024 ZH Biolidics Loan</b> ”).
	The October 2024 ZH Biolidics Loan shall have a tenure of 36 months commencing from the date of the ZH Biolidics Loan Agreement (the “ <b>Maturity Date</b> ”).
	As at the date of this announcement, a total of S\$1,726,000 has been disbursed by Mr. Zhu to the Company pursuant to the October 2024 ZH Biolidics Loan.
<b>Purpose</b>	: The October 2024 ZH Biolidics Loan is to be used for working capital purposes.
	No interest shall be payable on the October 2024 ZH Biolidics Loan
<b>Repayment</b>	: 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 “ <b>Event of Default</b> ” (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;

	<ul style="list-style-type: none"> <li>(iv) a judicial manager being appointed in respect of the Company or the Company's assets;</li> <li>(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</li> <li>(vi) the appointment of a receiver or receiver and manager over the Company or any of its assets;</li> </ul> <p>(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:</p> <ul style="list-style-type: none"> <li>(i) capable of remedy; and</li> <li>(ii) remedied within ten (10) business days of the earlier of the Company or Mr. Zhu becoming aware of the misrepresentation;</li> </ul> <p>(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</p> <p>(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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>(a) declare any part of the October 2024 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</li> <li>(b) cancel the October 2024 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.</li> </ul>
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#### 5.4. Principal Terms of the ZH EFM CN Loan Agreement

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

<b>Principal Amount</b>	: Mr. Zhu shall extend to EFM CN a loan facility in the aggregate amount of S\$410,000, to be disbursed in one tranche, as mutually agreed upon by both the Company and Mr. Zhu (the “ <b>December 2024 ZH EFM CN Loan</b> ”).
	As at the date of this announcement, the December 2024 ZH EFM CN Loan has been disbursed in full.
<b>Purpose</b>	: The December 2024 ZH EFM CN Loan is to be used for working capital purposes.
<b>Interest</b>	: No interest shall accrue on the outstanding December 2024 ZH EFM CN Loan.
<b>Repayment</b>	<p>(a) Subject to the Events of Default (as set out below), EFM CN shall repay the December 2024 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.</p> <p>(b) The December 2024 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 repayment of the December 2024 ZH EFM CN Loan and the issue price for such new EFM CN Shares allotted and issued to 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.</p>
<b>Events of Default</b>	: Each of the events set out below is an “ <b>Event of Default</b> ” (whether or not its occurrence is caused by any person outside the control of EFM CN or any other person):
	<p>(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):</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(ii) EFM CN resolving to wind itself up or otherwise dissolve itself;</li> <li>(iii) the appointment of a liquidator or provisional liquidator in respect of EFM CN;</li> </ul>

	<ul style="list-style-type: none"> <li>(iv) a judicial manager being appointed in respect of EFMCN or its assets;</li> <li>(v) EFMCN entering into a scheme of arrangement or composition with or assignment for the benefit of all or any class of its creditors; or</li> <li>(vi) the appointment of a receiver or receiver and manager over EFMCN or any of its assets;</li> </ul> <p>(b) any representation, warranty or statement made or deemed to be made by EFMCN in the ZH EFMCN Loan Agreement or in any notice or other document, certificate or statement delivered by it pursuant to, or in connection with, the ZH EFMCN 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:</p> <ul style="list-style-type: none"> <li>(i) capable of remedy; and</li> <li>(ii) remedied within ten (10) business days of the earlier of EFMCN or Mr. Zhu becoming aware of the misrepresentation;</li> </ul> <p>(c) EFMCN fails duly to perform or comply with any undertaking or other obligation owed or assumed by it under the ZH EFMCN 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 EFMCN of such non-performance or non-compliance; or</p> <p>(d) it is or becomes unlawful for EFMCN to perform any of its obligations under the ZH EFMCN Loan Agreement which the Mr. Zhu, acting reasonably, considers material.</p> <p>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 EFMCN:</p> <ul style="list-style-type: none"> <li>(a) declare any part of the December 2024 ZH EFMCN 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 EFMCN; and/or</li> <li>(b) cancel the December 2024 ZH EFMCN Loan in part pro rata or in full, whereupon the same will be so cancelled and, if cancelled in full, immediately reduced to zero.</li> </ul>
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The issue price for each EFMCN 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 EFMCN Shares shall be funded by the Company's internal resources. The issue price for each EFMCN Share was arrived at after taking into consideration the net liabilities of EFMCN was S\$413,307 as at 31 December 2024.

Upon completion of the allotment and issuance of the new EFMCN Shares pursuant to the Proposed EFMCN Subscription, the Company's interest in EFMCN 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.

## **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 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.

Pursuant to Rule 919 of the Catalyst Rules, Mr. Zhu and his associates (if any) will abstain, from voting on 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 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 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.



The amount at risk to the Company in respect of the Proposed EFM CN Subscription by Mr. Zhu is the issue price of the EFM CN Shares which amounts to an aggregate of S\$100,000, which represents approximately 4.54% of the Group 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 of the Catalist Rules, Mr. Zhu and 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 date of this announcement.

#### **5.8. Independent Financial Adviser**

ZICO Capital Pte. Ltd. ("IFA") has been appointed as the independent financial adviser providing an opinion 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 pursuant to Rule 921(4)(a) of the Catalist Rules. The opinion from the IFA will be set out in the Circular to be despatched in due course.

#### **5.9. Statement of the Audit and Risk Committee in respect of the Proposed EFM CN Subscription by Mr. Zhu**

The Audit and Risk Committee of the Company is of the view that 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.

#### **5.10. Catalist Rule 805(2) and the Proposed EFM CN Subscription**

Catalist Rule 805(2) 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 Catalist 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."

As at the date of this announcement, EFM CN is a wholly-owned subsidiary of the Company. While the allotment and issuance of EFM CN Shares pursuant to 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 Catalist Rule 805(2). 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. Accordingly, EFM CN's latest audited consolidated accounts of the EFM CN are not reflected in the audited consolidated accounts of the Group. 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 Catalist Rule 805(2).

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 at a general meeting to be convened in due course.

## 6. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors and Register of Substantial Shareholders, the shareholdings of the Directors and Substantial Shareholders as at the date of this announcement are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<b><u>Directors</u></b>						
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	-	-	-	-	-	-
<b><u>Substantial Shareholders (other than Directors)</u></b>						
Yuan Zhi Jun	211,988,000 <sup>(2)</sup>	12.54	-	-	211,988,000 <sup>(2)</sup>	12.54
Wu Kun	240,012,000 <sup>(2)</sup>	14.20	-	-	240,012,000 <sup>(2)</sup>	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 date of this announcement.
- (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 Share Issuances, the Proposed Change of Name and the Proposed Diversification, the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFM CN Subscription, other than through their respective shareholding interest (if any) in the Company.

## 7. FURTHER ANNOUNCEMENTS

The Company will make further and other announcements at the relevant time as and when there are material developments in relation to the Proposed Share Issuances, the Proposed Change of Name and the Proposed Diversification, the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFMCN Subscription, in particular, when the LQN for the Yuan Sign-On Shares, the ECA Shares, the Ali Shares and the Icon Shares is received. The LQN to be given by the SGX-ST in respect of the Yuan Sign-On Shares, the ECA Shares, the Ali Shares and the Icon Shares is not an indication of the merits of the Proposed Share Issuances, the Group and/or the Shares.

For the avoidance of doubt, the Company will also in respect of the Yuan Performance Bonus Shares make further announcement at the relevant time as and when there are material developments, in particular the achievement of the Yuan Performance Bonus Targets in each of the financial years, and the relevant LQN. The LQN to be given by the SGX-ST in respect of the Yuan Performance Bonus Shares is not an indication of the merits of the Yuan Performance Bonus Shares, the Group and/or the Shares.

#### **8. 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 date of this announcement that the Proposed Share Issuances, the Proposed Change of Name, Proposed Diversification, the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFMCN 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 announcement 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.

#### **9. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in 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 Proposed Share Issuances, the Proposed Change of Name and the Proposed Diversification, the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFMCN Subscription, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. 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.

#### **10. SERVICE CONTRACTS**

No person will be appointed to the Board in connection with the Proposed Share Issuances, the Proposed Change of Name, the Proposed Diversification, the Proposed Ratification of the 4Q2024 ZH Loans and the Proposed EFMCN Subscription and no service contracts in relation thereto will be entered into by the Company.

#### **11. 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 announcement:

- (a) Yuan Service Agreement;
- (b) ECA Supplemental Agreement;
- (c) Ali Supplemental Agreement;
- (d) the Icon Law Engagement Letter;
- (e) ZH Biolidics Loan Agreement;
- (f) ZH EFMCN Loan Agreement; and
- (g) Supplemental ZH EFMCN Loan Agreement.

**BY ORDER OF THE BOARD**

Zhu Hua  
Executive Director and Chairman  
17 May 2025

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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 of the 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 Center, Singapore 068914.