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Issuer: SDAI Limited

Stock code: 5TI

Meeting details:

Date: 22 Apr 2025

Time: 10.00 a.m.

Venue: 6 Clementi Loop, #02-18 EAC Building, Singapore 129814

Q1. On 12 July 2021, the company suspended trading of its shares, citing its inability to confirm that all material information has been disclosed. In the chairperson's statement, it was noted that the company is "*working tirelessly*" to finalise Phase 2 of the special audit and its business transformation plan, prior to seeking approval from SGX-ST trading resumption. Phase 2 specifically addresses deviations in the use of approximately \$19.3 million raised during previous fundraising.

To date, the special auditor has not completed the scope of works set out in the company's 20 September 2021 announcement. This is despite management stating that it has responded promptly and provided all requested documents to the special auditor. The executive summary from the first phase of the special audit was published on 21 July 2023¹.

- (i) **What parts of the agreed scope of work remain outstanding, and what are the key reasons for the delay in finalising Phase 2 of the special audit?**
- (ii) **What roles have the independent directors played in overseeing the special audit? How actively have they engaged with the special auditor?**
- (iii) **What specific deliverables remain before the company can submit a trading resumption proposal to SGX-ST? What is the estimated timeline for submitting the proposal?**

¹ <https://links.sgx.com/1.0.0/corporate-announcements/J3085D80YVOWACBI/1091c29f426e0047dcda975ce8e77e0da2ec1198a2993a6815f0f4963d5bb056>

Q2. With the ongoing liquidation of the kitchen system distribution business, the group pivoted in October 2024 into the biotechnology, launching healthcare-related products and services under Beijing Blue Code Biotechnology Co., Limited, which has been renamed to Hainan Blue Code Biotechnology Co., Ltd. (海南蓝码生物科技有限公司).

- (i) **What biotechnology-specific capabilities does the group currently possess—such as technical know-how, intellectual property, industry networks, or scientific talent—that support its entry into this sector? Is the group building these competencies from the ground up, and is there a defined product or technology roadmap?**
- (ii) **What level of commercial and technical due diligence was conducted before committing to this strategic pivot?**
- (iii) **What is the estimated capital investment required to bring the biotechnology business to commercial viability, and how does this venture alter the group’s overall risk profile?**

Q3. The independent auditors issued a disclaimer of opinion on the financial statements for the financial year ended 31 December 2024, citing concerns over the use of going concern assumption and outstanding notices of compliance issued by SGX RegCo.

As at 31 December 2024, the group held \$0.73 million in cash and cash equivalents. Net cash used in operating activities was \$(3.4) million in 2024 and \$(2.0) million in 2023.

In November 2024, the group raised \$1 million via a new redeemable loan agreement with four subscribers. Separately, loan maturities with Asian Accounts Receivable Exchange Pte. Ltd. and Mdm Hao Dongting were extended to 30 June 2026.

At the company level, equity attributable to owners stands at a negative \$(7.24) million.

- (i) **What is the board's plan to restore financial sustainability and address the group's capital deficiency?**
- (ii) **Is a material equity fundraising anticipated, and under what conditions would it be pursued?**
- (iii) **What are the available funding options under consideration, and how does the board evaluate the impact of each option on shareholder dilution, covenant flexibility, and long-term cost of capital?**
- (iv) **How did the board assess the implicit cost of the redeemable loan agreement, particularly given the conversion feature allowing for equity conversion at 10% discount?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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