ASPIRING TO IMPACT THE LIVES OF PATIENTS WITH OUR DIAGNOSTIC SOLUTIONS

Placement of 27,500,000 Placement Shares at S$0.28 each, payable in full on application.

BIOLIDICS LIMITED

(Company Registration Number: 200913076M)
(Incorporated in the Republic of Singapore on 19 July 2009)

OFFER DOCUMENT DATED 11 DECEMBER 2018

(Registered by Singapore Exchange Securities Trading Limited ("SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore (the "Authority"), on 11 December 2018)

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully, and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

This Placement (as defined in this Offer Document) is made in or accompanied by this Offer Document which has been registered by SGX-ST, acting as agent on behalf of the Authority on 11 December 2018.

United Overseas Bank Limited (the "Sponsor and Issue Manager and Placement Agent") has made an application to SGX-ST for permission to deal in, and for the listing and quotation of, all the ordinary shares (the "Shares") in the capital of Biolidics Limited (the "Company") that are already issued, the new Shares which are the subject of this Placement (the "Placement Shares") and the new Shares which may be issued pursuant to the vesting of the awards to be granted under the Biolidics Performance Share Plan (as defined in this Offer Document) (the "Award Shares") on the Catalist Board of SGX-ST ("Catalist"). Acceptances of applications will be conditional upon, among others, the issue of the Placement Shares and permission being granted by SGX-ST for the listing and quotation of all Shares that are already issued, the Placement Shares and the Award Shares on Catalist. Monies paid in respect of any application accepted will be returned (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and the applicant shall not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent) if the admission and listing do not proceed for any reason. The dealing in, and quotation of, our Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of SGX-ST.

In particular, companies may list on Catalist without a track record of profitability and we are unable to assure you that there will be a liquid market for the shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, after consultation with your professional adviser(s).

A copy of this Offer Document has been lodged with and registered by SGX-ST, acting as agent on behalf of the Authority. Neither the Authority nor SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. SGX-ST does not normally review the application for admission but relies on the Sponsor and Issue Manager confirming that our Company is suitable to be listed and complies with the Rules of Catalist (as defined in this Offer Document). Neither the Authority nor SGX-ST has in any way considered the merits of our Shares being offered for investment. The registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, or requirements under the Rules of Catalist, have been complied with.

We have not lodged or registered this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section titled "Risk Factors" of this Offer Document.

After the expiration of six months from the date of registration of this Offer Document with SGX-ST, acting as agent on behalf of the Authority, no person shall make an offer of our Shares, or allot, issue or sell any of our Shares, on the basis of this Offer Document, and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any of our Shares or the allotment, issue or sale of any of our Shares, on the basis of this Offer Document.

SPONSOR AND ISSUE MANAGER AND PLACEMENT AGENT

UNITED OVERSEAS BANK LIMITED
(Company Registration Number: 193500026Z)
(Incorporated in the Republic of Singapore)

ABOUT US

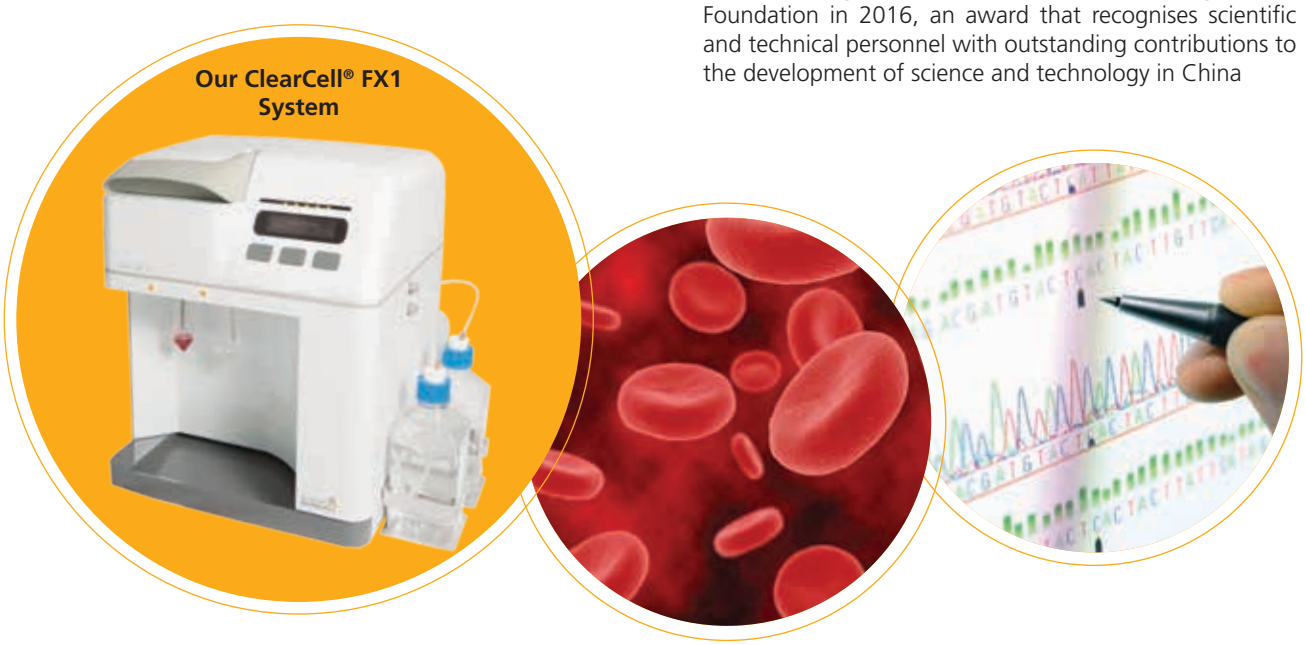
Incorporated in 2009 and based in Singapore, we are a medical technology company focusing on the development of cell enrichment systems which, when combined with other analytical tests, have a wide range of applications for cancer diagnosis, prognosis, treatment selection and treatment monitoring.

We have developed a fully automated IVD medical device, the ClearCell® FX1 System, which relies on a novel patented technology to separate and enrich cancer cells from blood.

Our quality assurance capabilities have been recognised through our ISO 13485 certification, CE-IVD, US FDA Class I registration and CFDA Class I registration (for the MGI EasyCell System).

STRATEGIC SHAREHOLDERS

- **Clearbridge Health Limited**, an integrated healthcare group listed on Catalist
- **SEEDS Capital Pte. Ltd.**, wholly-owned by SPRING Equity Investments Pte. Ltd., which is in turn wholly-owned by Enterprise Singapore, a statutory board under the Ministry of Trade and Industry Singapore
- **Professor Xie Tian**, who is currently the Dean of the Department of Medical Oncology, Holistic Integrative Oncology Institute and Holistic Integrative Cancer Center of Traditional Chinese and Western Medicine in Hangzhou Normal University and a recipient of the Wu Jieping Medical Innovation Award in 2014, an award which honours top medical personnel in China, and the Prize for Scientific and Technological Innovation from the Ho Leung Ho Lee Foundation in 2016, an award that recognises scientific and technical personnel with outstanding contributions to the development of science and technology in China



PROSPECTS(1)

INCREASED PREVALENCE OF CANCER

The increase in the prevalence of cancer, together with increasing healthcare expenditure, will drive the global market for cancer diagnostics in which we operate. This market is expected to grow at a compound annual growth rate of 7.6%, to reach an estimated value of US$168.6 billion by 2020.

INCREASED AWARENESS AND ADOPTION OF LIQUID BIOPSY

In line with the increased awareness and adoption of precision medicine, the liquid biopsy market is expected to grow from approximately US$0.6 billion in 2016 to US$1.7 billion in 2021, at a compound annual growth rate of 23.4%.

WIDE RANGE OF POTENTIAL APPLICATIONS FOR LIQUID BIOPSY

In particular, the largest potential market for liquid biopsy is predicted to be for early cancer screening to test the general population for cancer – this market for early cancer screening alone could eventually be worth as much as US$9.0 billion annually.

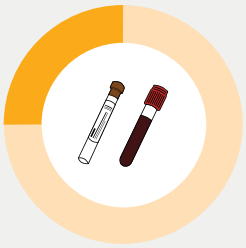
INCREASED FUNDING

Both the US and China have launched their own precision medicine initiatives, with China seeking to invest as much as US$9.0 billion over the next 15 years.

(1) Certain statements above are representations of, or extracts from statements or information published by third party sources. Please refer to the section titled "Our Business – Prospects and Trends" of this Offer Document for more information.

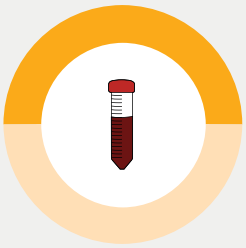
NOVEL PATENTED TECHNOLOGY

SAMPLE COLLECTION



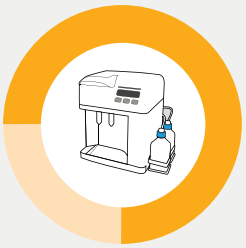
7.5ml blood sample is collected

RED BLOOD CELL LYSIS



Red blood cell lysis is performed

CTC ENRICHMENT



CTC enrichment is performed on the ClearCell® FX1 System

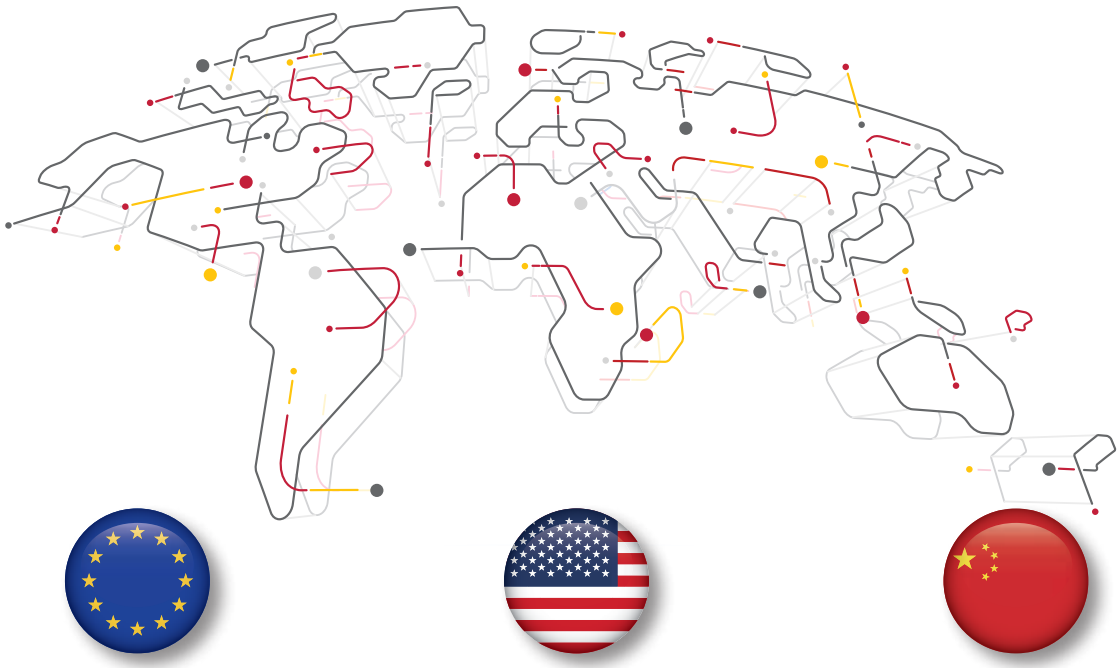
ENRICHED CTC SAMPLE

Enriched CTC output ready for downstream analysis

- A simple and minimally invasive alternative to tissue biopsies
- Our CTChip® FR1 biochip uses a label-free approach to enrich circulating tumour cells ("CTCs"), which helps to maintain the CTCs in their original state and preserve their viability for use in diagnostic tests
- In addition, our label-free method eliminates the need for a single biomarker and is able to isolate CTCs across a heterogeneous population without bias

COMMERCIALISATION OF OUR PRODUCT

AS AT 15 NOVEMBER 2018, A TOTAL OF 80 CLEARCELL® FX1 SYSTEMS HAVE BEEN INSTALLED ACROSS THE WORLD, INCLUDING SINGAPORE, CHINA, HONG KONG, JAPAN, THE US AND CERTAIN EU COUNTRIES.



Obtained CE-IVD marking for our ClearCell® FX1 System, allowing us to market and sell our ClearCell® FX1 System to academic and research institutions, hospitals and laboratories in the EU

Obtained US FDA Class I registration for our ClearCell® FX1 System, allowing us to market and sell our ClearCell® FX1 System to academic and research institutions, hospitals and laboratories in the US

We have collaborated with Shenzhen BGI Research & Development Co., Ltd ("BGI"), a genomics company based in China, to develop a **BGI-assembled CTC enrichment system (the MGI EasyCell System) based on our ClearCell® FX1 System, which has obtained CFDA Class I registration**

OUR BUSINESS MODEL

Sale of our ClearCell® FX1 System

Sale of the accompanying CTChip® FR1 biochip and other consumables

Development of a wide range of clinical or laboratory developed tests

We have entered into agreements with each of Hunan Agen Medicine Laboratory Technology Co., Ltd. and Holistic Integrative Pharmacy Institute, Hangzhou Normal University for the provision of our ClearCell® FX1 System and CTChip® FR1 biochips to them to facilitate the development of CTC diagnostic services.

Higher sales of ClearCell® FX1 System → **Higher sales of the accompanying CTChip® FR1 biochip and other consumables** → **Higher usage of ClearCell® FX1 System for clinical or laboratory developed tests**

BUSINESS STRATEGY

EXPAND OUR CLINICAL SERVICES APPLICATIONS AND CLINICAL SERVICES CUSTOMER SEGMENT

- Develop the clinical applications of our system
- Enhance the market position of our products in the "Research Use Only" customer segment through distributors and our own direct sales teams and through the provision of technical support to our customers
- Offer clinical diagnostic services with opportunities to work with clinical services laboratories to serve physicians and their patients

ADVANCE OUR PIPELINE PRODUCTS

- Development of new products and services through in-house development or through, among others, investments, mergers and acquisitions, joint ventures and/or strategic collaborations
- Develop systems that can process several patients' samples concurrently to cater to commercial laboratories with large patient sample volume, as well as analytical tests to enumerate (that is, count) cancer cells with greater accuracy
- Develop our own diagnostic test using existing analytical tests, such as tests to identify genetic mutations within cells
- Invest, acquire, in-license or collaborate with other companies or research institutions with complementary analytical tests, which can be integrated with our technology platform and deployed in various jurisdictions, potentially through joint ventures, strategic alliances or other commercial arrangements

ENHANCE OUR INTERNAL CAPABILITIES

- Enhance our internal capabilities and processes to achieve greater efficiencies and returns
- With greater product sales, we can capitalise on economies of scale by leveraging on manufacturing technology
- Leveraging on the funds from the SPRING Singapore Capability Development Grant to scale up the manufacturing of our CTChip® FR1 biochips
- Enhance our procurement capabilities to achieve more cost-effective purchases of certain components
- Augment our human capital policies with the aim to develop and retain competent staff

CONTENTS

CONTENTS

CONTENTS

CONTENTS

CONTENTS

This page has been intentionally left blank.

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr. Jeremy Yee (Non-Executive Non-Independent Chairman) Mr. Ivan Lew (Executive Director and CEO) Mr. Johnson Chen (Non-Executive Non-Independent Director and Founder) Mr. Leong Yow Seng (Lead Independent Director) Mr. James Ong (Independent Director) Mr. Peter Koh (Independent Director) Ms. Toh Shih Hua (Independent Director)
COMPANY SECRETARY	:	Ms. Selena Leong Siew Tee (Associate (ISCA))
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	:	81 Science Park Drive #02-03 The Chadwick Singapore 118257
SHARE REGISTRAR	:	**Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)** 80 Robinson Road #02-00 Singapore 068898
SPONSOR AND ISSUE MANAGER AND PLACEMENT AGENT	:	**United Overseas Bank Limited** 80 Raffles Place UOB Plaza Singapore 048624
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISERS TO OUR COMPANY AS TO SINGAPORE LAW	:	**WongPartnership LLP** 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
LEGAL ADVISERS TO THE SPONSOR AND ISSUE MANAGER AND PLACEMENT AGENT AS TO SINGAPORE LAW	:	**Dentons Rodyk & Davidson LLP** 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT	:	**Deloitte & Touche LLP** 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809 Partner-in-charge: Mr. Tsia Chee Wah (a member of the Institute of Singapore Chartered Accountants)

CORPORATE INFORMATION

PRINCIPAL BANKERS	:	**United Overseas Bank Limited** 80 Raffles Place UOB Plaza Singapore 048624 **Oversea-Chinese Banking Corporation Limited** 65 Chulia Street OCBC Centre Singapore 049513
RECEIVING BANK	:	**United Overseas Bank Limited** 80 Raffles Place UOB Plaza Singapore 048624

DEFINITIONS

In this Offer Document and the accompanying Application Form, the following definitions apply where the context so admits:

GROUP COMPANIES

"Company"	:	Biolidics Limited

OTHER CORPORATIONS AND AGENCIES

"Authority"	:	Monetary Authority of Singapore
"BGI"	:	Shenzhen BGI Research & Development Co., Ltd
"CDP" or *"Depository"*	:	The Central Depository (Pte) Limited
"CFDA"	:	China Food and Drug Administration
"Clearbridge BSA"	:	Clearbridge BSA Pte. Ltd.
"Clearbridge Health"	:	Clearbridge Health Limited
"CPF"	:	The Central Provident Fund
"EPO"	:	European Patent Office
"Hybrionic"	:	Hybrionic Pte Ltd
"Independent Auditor and Reporting Accountant"	:	Deloitte & Touche LLP
"MGI Wuhan"	:	MGI Wuhan Tech Co., Ltd (a subsidiary of BGI)
"MIT"	:	Massachusetts Institute of Technology
"National Cancer Centre of Singapore"	:	National Cancer Centre of Singapore Pte Ltd
"NUS"	:	National University of Singapore
"Receiving Bank"	:	United Overseas Bank Limited
"SEEDS Capital"	:	SEEDS Capital Pte. Ltd. (formerly known as SPRING Seeds Capital Pte. Ltd.)
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Registrar"	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)

"Sponsor and Issue Manager and Placement Agent", "Sponsor", "Sponsor and Issue Manager", "Placement Agent" or *"UOB"*	:	United Overseas Bank Limited
"SPRING Singapore"	:	The Standards, Productivity and Innovation Board, previously a statutory board under the Ministry of Trade and Industry of Singapore (now known as Enterprise Singapore)
"Sysmex"	:	Sysmex Corporation
"US FDA"	:	US Food and Drug Administration

LEGISLATION AND REGULATIONS

"Companies Act"	:	Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"Rules of Catalist"	:	Section B of the listing manual of SGX-ST dealing with the rules of Catalist, as amended, modified or supplemented from time to time
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
"SFR"	:	Securities and Futures (Offer of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, modified or supplemented from time to time
"Take-over Code"	:	Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time

GENERAL

"1 November 2016 Convertible Loan Agreement"	:	The convertible loan agreement dated 1 November 2016 (as amended by the addendum dated 21 August 2017) entered into among our Company, Clearbridge BSA, SEEDS Capital, BV Healthcare II Pte. Ltd. and NUS Technology Holdings Pte Ltd for the extension of a convertible loan with a minimum aggregate principal value of approximately S$2.0 million to our Company, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise – Conversion of Convertible Loans" of this Offer Document

"2 June 2017 Convertible Note Agreement"	:	The convertible note agreement dated 2 June 2017 entered into between our Company and Mitsubishi UFJ Life Science I, Limited Partnership for the issuance by our Company of a convertible note with a minimum aggregate principal value of US$2.0 million, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise – Conversion of Convertible Loans" of this Offer Document
"21 March 2017 Convertible Note Agreement"	:	The convertible note agreement dated 21 March 2017 entered into among our Company, Naga Capital Partners (Cayman) Limited, Kenyon Pte. Ltd. and Lim Hwee Sian for the issuance by our Company of a convertible note with a minimum aggregate principal value of US$2.0 million, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise – Conversion of Convertible Loans" of this Offer Document
"28 September 2015 Convertible Loan Agreement"	:	The convertible loan agreement dated 28 September 2015 (as amended by the addendum dated 7 September 2016) entered into among our Company, Clearbridge BSA, SEEDS Capital, BV Healthcare II Pte. Ltd. and Trauwin Pte. Limited for the extension of a convertible loan with a minimum aggregate principal value of S$3.5 million to our Company, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise – Conversion of Convertible Loans" of this Offer Document
"Administration Committee"	:	The Remuneration Committee or such other committee comprising Directors appointed by our Board to administer the Biolidics Performance Share Plan
"Application Form"	:	The printed application form to be used for the purpose of the Placement and which forms part of this Offer Document
"Application List"	:	The list of applications for subscription of the Placement Shares
"associate"	:	As defined in the Rules of Catalist, (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and

(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more,

or may, where the context so requires, have the meaning ascribed to it in the Fourth Schedule to the SFR

"Audit Committee"	:	The audit committee of our Company
"Award Shares"	:	The new Shares which may be issued pursuant to the vesting of Awards
"Awards"	:	The awards which may be granted pursuant to the Biolidics Performance Share Plan
"Biolidics Performance Share Plan" or *"Plan"*	:	The Biolidics Performance Share Plan approved by our Shareholders on 20 November 2018
"Board" or *"Board of Directors"*	:	The board of Directors of our Company
"Catalist"	:	The Catalist Board of SGX-ST, the sponsor-supervised listing platform of SGX-ST
"CEO"	:	The chief executive officer of our Company
"Code of Corporate Governance"	:	The Code of Corporate Governance issued by the Authority on 6 August 2018
"Constitution"	:	The constitution of our Company, as amended or modified from time to time
"Controlling Shareholder"	:	As defined in the Rules of Catalist, a person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in our Company. SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or

		(b) in fact exercises control over our Company, or may, where the context so requires, have the meaning ascribed to it in the Fourth Schedule to the SFR
"Conversion Agreements"	:	Collectively, the conversion agreement dated 6 July 2018 entered into among our Company, Clearbridge BSA, SEEDS Capital, BV Healthcare II Pte. Ltd. and Trauwin Pte. Limited, the conversion agreement dated 6 July 2018 entered into among our Company, Clearbridge BSA, SEEDS Capital, BV Healthcare II Pte. Ltd. and NUS Technology Holdings Pte Ltd, the conversion agreement dated 6 July 2018 entered into among our Company, Naga Capital Partners (Cayman) Limited, Kenyon Pte. Ltd. and Lim Hwee Sian, and the conversion agreement dated 6 July 2018 entered into between our Company and Mitsubishi UFJ Life Science I, Limited Partnership for the conversion of convertible loans and notes into Shares, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise – Conversion of Convertible Loans" of this Offer Document
"Convertible Loans"	:	Has the meaning ascribed to it in the section titled "Pre-IPO and Recapitalisation Exercise – Conversion of Convertible Loans" of this Offer Document
"COO"	:	The chief operating officer of our Company
"Directors"	:	The directors of our Company
"EPS"	:	Earnings per Share
"ESOS"	:	The Clearbridge Biomedics Employees' Share Option Scheme adopted on 25 May 2011 and terminated on 26 September 2018
"EU"	:	European Union
"Executive Directors"	:	The executive directors of our Company
"Executive Officers"	:	The executive officers of our Company
"Financial Controller"	:	The financial controller of our Company
"FVTPL"	:	Fair value through profit or loss
"FY"	:	Financial year ended or ending 31 December, as the case may be

"GST"	:	Goods and services tax
"HY"	:	Six months ended 30 June
"immediate family"	:	As defined in the Rules of Catalist, in relation to an individual, means the individual's spouse, child, adopted child, step-child, sibling and parent
"Independent Directors"	:	The independent directors of our Company
"Interested Person"	:	Has the meaning ascribed to it in the section titled "Interested Person Transactions and Potential Conflicts of Interests" of this Offer Document
"IPO"	:	Initial public offering
"Issue Price"	:	S$0.28 for each Placement Share
"Latest Practicable Date"	:	15 November 2018, being the latest practicable date prior to the lodgement of this Offer Document with SGX-ST, acting as agent on behalf of the Authority
"Listing"	:	The listing of our Company and the quotation of our Shares on Catalist
"Listing Date"	:	The date of commencement of dealing in our Shares on Catalist
"Management Agreement"	:	The sponsorship and management agreement dated 11 December 2018 entered into between our Company and UOB, details of which are set out in the section titled "Plan of Distribution – The Placement – Management and Placement Arrangements" of this Offer Document
"Market Day"	:	A day on which SGX-ST is open for securities trading
"NAV"	:	Net asset value
"Nominating Committee"	:	The nominating committee of our Company
"NTA"	:	Net tangible assets
"Offer Document"	:	This Offer Document dated 11 December 2018 issued by us in respect of the Placement
"Period Under Review"	:	The period comprising FY2015, FY2016, FY2017 and HY2018

"Placement"	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Issue Price, subject to and on the terms and conditions of this Offer Document
"Placement Agreement"	:	The placement agreement dated 11 December 2018 entered into between our Company and UOB, details of which are set out in the section titled "Plan of Distribution – The Placement – Management and Placement Arrangements" of this Offer Document
"Placement Shares"	:	The 27,500,000 Shares which are the subject of the Placement
"Pre-IPO and Recapitalisation Exercise"	:	Comprises (a) the conversion of all the existing Preference Shares into Shares, (b) the conversion of the Convertible Loans into Shares, (c) the issuance of the Series C Investment Shares and Series C Warrants, (d) the exercise of all the Series C Warrants, and (e) the exercise of options granted under our ESOS, as set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document
"Preference Shareholders"	:	Holders of Preference Shares
"Preference Shares"	:	Series A Preferred Shares, Series B Redeemable Convertible Preference Shares and/or Series B2 Redeemable Convertible Preference Shares, as the case may be
"Pro Forma Financial Information"	:	Comprises the "Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendix C to this Offer Document
"R&D"	:	Research and development
"Redeemable Convertible Preference Shares"	:	Collectively, the Series B Redeemable Convertible Preference Shares and Series B2 Redeemable Convertible Preference Shares
"Remuneration Committee"	:	The remuneration committee of our Company
"Securities Account"	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"Series A Preferred Shares"	:	Series A convertible preference shares in the capital of our Company

"Series B Redeemable Convertible Preference Shares"	:	Series B redeemable convertible preference shares in the capital of our Company
"Series B2 Redeemable Convertible Preference Shares"	:	Series B2 redeemable convertible preference shares in the capital of our Company
"Series C Investment Agreement"	:	The investment agreement dated 28 June 2018 entered into between our Company and each of the Series C Investors
"Series C Investment Shares"	:	The aggregate of 115,111 Shares issued to the Series C Investors pursuant to the Series C Investment Agreement
"Series C Investors"	:	Lim Chwee Teck, Chong Kai Chuan, Lim Wan Teck Darren, Kenyon Pte. Ltd., Johnson Chen, Roelofs Nicolas Henry, Lee Yi Fang, Chen Joyce, Liew Chun Vui, Mok Tony Shu Kam, Dave Baldev Hoon, Leong Man Chun, Xie Tian, Wei Hangying, Lawrence Pang You Zhi, Ramesh S/O Pritamdas Chandiramani, Tan Hwee Kiang Roland, Fund Singapore Medtech Pte. Ltd. (now known as Fund Singapore Medtech Ltd.), Inbridge Ventures Pte. Ltd., Chong Siew Hong, Wong Yee Chin and Leong Sung Yi
"Series C Warrants"	:	The aggregate of 86,340 warrants issued to the Series C Investors pursuant to the Series C Investment Agreement
"SFRS"	:	Singapore Financial Reporting Standards
"SFRS(I)"	:	Singapore Financial Reporting Standards (International)
"SGXNET"	:	Singapore Exchange Network, the corporate announcement system maintained by SGX-ST for the submission of information and announcements by listed companies
"Share Split"	:	The sub-division of 1,268,678 Shares in the issued share capital of our Company into 215,000,000 Shares, which was effected on 3 December 2018
"Shareholders"	:	Registered holders of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
"Shares"	:	Ordinary shares in the capital of our Company

"Stop Order"	:	Has the meaning ascribed to it in the section titled "Details of the Placement" of this Offer Document
"subsidiary holdings"	:	As defined in the Rules of Catalist, shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
"Substantial Shareholder"	:	A person who has an interest in not less than 5.0% of the total votes attached to all voting Shares (excluding treasury Shares) in our Company
"UK"	:	United Kingdom
"US"	:	United States of America

Currencies, Units and Others

"AU$"	:	Australian dollars, the lawful currency of the Commonwealth of Australia
"CHF"	:	Swiss francs, the lawful currency of Switzerland
"EUR"	:	Euros, the lawful currency of the EU
"GBP"	:	British pounds, the lawful currency of the UK
"JPY"	:	Japanese yen, the lawful currency of Japan
"S$" and *"cents"*	:	Singapore dollars and cents respectively, the lawful currency of Singapore
"sq m"	:	Square metres
"US$"	:	United States dollars, the lawful currency of the US
"%"	:	Per centum

Names used in this Offer Document		**Names in National Registration Identity Card/Passport**
"Ivan Lew"	:	Lew Kwang Ping
"James Ong"	:	Ong Hsien Chih, James (Weng Xianzhi, James)
"Jeremy Yee"	:	Yee Pinh Jeremy
"Johnson Chen"	:	Chen Johnson
"Peter Koh"	:	Peter Koh Heng Kang

Any capitalised terms relating to the Biolidics Performance Share Plan which are not defined in this Offer Document shall have the meanings ascribed to them as stated in "Rules of the Biolidics Performance Share Plan", as set out in Appendix F to this Offer Document.

The expression "subsidiary" shall have the same meaning ascribed to it in the Fourth Schedule to the SFR and the Companies Act. The expression "associated company" shall have the same meaning ascribed to it in the Fourth Schedule to the SFR.

The expressions "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The expression "entity" shall have the same meaning ascribed to it in the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document and the Application Form to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Offer Document and the Application Form shall, where applicable, have the meaning ascribed to it in the Companies Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Offer Document and the Application Form to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time or date in this Offer Document and the Application Form shall be a reference to Singapore time and date, unless otherwise stated.

Unless the context otherwise requires, references in this Offer Document to "we", "our", and "us" or their grammatical variations are a reference to our Company.

Any discrepancies in the tables included herein between the total sum of amounts listed and the totals shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Unless we indicate otherwise, all information in this Offer Document is presented on the basis of our Company.

Certain entities named in this Offer Document may in some instances be referred to in this Offer Document by their trade names. Each of our contracts with our customers, suppliers and/or partners is typically with an entity or entities in that customer, supplier and/or partner's group of companies.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of our business, the following glossary provides an explanation and description of certain technical terms and abbreviations used in this Offer Document. The meanings assigned to these terms and abbreviations should not be treated as definitive, and may not correspond to standard industry meanings or usage of these terms and abbreviations:

"ALK"	:	Anaplastic lymphoma kinase, a gene that codes for an enzyme that regulates the proliferation of nerve cells. Specific changes to the gene may regulate tumour proliferation
"antibodies"	:	Proteins produced by the immune system in response to the presence of foreign substances, called antigens. Antibodies recognise and latch onto antigens
"assay"	:	A laboratory test to find and measure the presence and amount of a specific substance
"biochip"	:	A microfluidic chip designed for CTC enrichment
"biomarker"	:	A naturally occurring molecule, gene, or characteristic by which a particular pathological or physiological process, disease, etc. can be identified
"BRAF V600E"	:	A specific change in the BRAF gene, a gene that codes for a protein that is involved in sending signals in cells and in cell growth
"cancer"	:	A class of diseases characterised by abnormal and uncontrolled cell growth
"cancer cell line"	:	Cancer cells that continuously grow and divide over time in specific laboratory conditions, used in experiments to study the biology of cancer
"CE-IVD marking"	:	A certification mark that indicates conformity of an IVD device or product with health, safety, and environmental protection standards for products sold within the EU
"CFDA Class I registration"	:	In relation to the classification of medical devices by the CFDA under Article 4 of the Regulation on the Supervision and Administration of Medical Devices, Order No. 680 of the State Council, medical devices of Class I means the medical devices with low risks, whose safety and effectiveness can be ensured through routine administration
"CTCs" or *"circulating tumour cells"*	:	Cancer cells that have shed from the tumour into the bloodstream

"Dean Flow Fractionation"	:	Separation of larger cells from a cell population using inherent Dean vortex flow present in curvilinear channels
"DNA"	:	Deoxyribonucleic acid, a molecule that carries the genetic instructions used in the expression of proteins in living organisms
"enrichment"	:	The separation and concentration of CTCs from other components of blood
"FISH"	:	Fluorescent *in situ* hybridisation, a molecular cytogenetic technique that uses fluorescent probes that bind to specific areas of the chromosome to detect genetic abnormality
"HER2"	:	Human epidermal growth factor receptor 2, a gene that codes for a transmembrane protein that will affect the development of certain cancer types
"in vitro"	:	In relation to a process, means that such process is performed or takes place in a test tube, culture dish, or elsewhere outside of a living organism
"in vivo"	:	Experimentation using a whole, living organism
"inertia"	:	The resistance of any physical object to any change in its position and state of motion
"inertial"	:	Relating to or arising from inertia
"IVD"	:	*In vitro* diagnostic. An IVD device or product refers to a reagent, instrument, apparatus, article or system used in the collection, preparation and *in vitro* examination of specimens taken from the human body, in order to provide information for medical diagnostic or monitoring purposes
"metastasis"	:	The spread of cancer cells from the place where they first formed to another part of the body
"microfluidic"	:	Relating to the design and study of devices which move or analyse tiny amounts of liquid, typically at a sub-millimetre scale
"patient-derived xenografts"	:	Cancer models which involve the implantation of CTCs into immunodeficient or humanised mice
"PCT"	:	Patent Cooperation Treaty, an international treaty administered by the World Intellectual Property Organisation

"RNA"	:	Ribonucleic acid, a molecule that acts as a messenger of DNA carrying instructions to control the synthesis of proteins
"US FDA Class I registration"	:	In relation to the classification of medical devices by the US FDA under Title 21 of the US Code of Federal Regulations into one of three classes based on their risks and the level of control necessary to assure the safety and effectiveness of the device, Class I registration for our device under regulation number 864.5240 means the device is exempt from the premarket notification procedures stated in the regulation. Class I includes devices with the lowest risk that do not present a potential unreasonable risk of illness or injury

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf that are not statements of historical fact constitute "forward-looking statements". You can identify some of these forward-looking statements by terms such as "expects", "believes", "plans", "intends", "predicts", "estimates", "anticipates", "may", "will", "would" and "could" or similar expressions. However, you should note that these words or phrases are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including, without limitation, statements as to:

(a) our revenue and profitability, cost measures and planned strategies;

(b) expected growth in demand;

(c) expected industry trends and developments;

(d) anticipated expansion plans and development plans; and

(e) any other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others, the following:

(a) changes in laws and regulations and interpretations thereof, political, social and economic conditions, as well as stock or securities market conditions in the jurisdictions in which we operate and intend to operate;

(b) changes in competitive conditions and our ability to compete under such conditions from time to time;

(c) changes in customer preferences and needs;

(d) changes in currency exchange or interest rates;

(e) changes in the availability and prices of goods and supplies that we require to operate our business;

(f) the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;

(g) changes in our future capital needs and the availability of financing and capital to fund these needs; and

(h) other factors beyond our control.

Some of these factors are discussed in greater detail in this Offer Document, in particular, but not limited to, the discussions under the sections titled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Condition" of this Offer Document. These forward-looking statements are applicable only as of the date of this Offer Document.

The section titled "Our Business – Prospects and Trends" of this Offer Document, as well as other parts of this Offer Document (to the extent applicable), contain data, information, financial analyses, forecasts, figures and statements (including market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications) which are forward-looking and based on certain assumptions and projections. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable. However, we are unable to assure you that such information is accurate or complete.

None of our Company, our Directors, the Sponsor and Issue Manager and Placement Agent or any person(s) acting on our or their behalf has conducted an independent review or verified the accuracy or veracity of such data, information, financial analyses, forecasts, figures, statements, assumptions and projections (the "Third Party Data"). No representation is made by us, the Sponsor and Issue Manager and Placement Agent or any person(s) acting on our or their behalf in respect of any of the Third Party Data and none of we, the Sponsor and Issue Manager and Placement Agent or any person(s) acting on our or their behalf takes any responsibility for any of the Third Party Data.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements. None of us, the Sponsor and Issue Manager and Placement Agent or any person(s) acting on our or their behalf represents or warrants to you that our actual future results, performance or achievements will be as discussed in these statements.

All forward-looking statements by or attributable to us, or any person(s) acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We and the Sponsor and Issue Manager and Placement Agent disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the SFA, the SFR and the Rules of Catalist regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority, but before the close of the Placement, we become aware of: (a) a false or misleading statement in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under the requirements of Section 243 of the SFA; or (c) a new circumstance that has arisen since this Offer Document was lodged with SGX-ST, acting as agent on behalf of the Authority, and which would have been required by Section 243 of the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged, and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with SGX-ST, acting as agent on behalf of the Authority. Please refer to the section titled "Details of the Placement" of this Offer Document for further details.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the legal or regulatory requirements of any jurisdiction, except for the lodgement and registration of this Offer Document in Singapore in order to permit a public offering of the Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us and the Sponsor and Issue Manager and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us and the Sponsor and Issue Manager and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other persons, reproduce or otherwise distribute this Offer Document or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

By accepting this Offer Document, you agree to be bound by the foregoing limitations. No part of this Offer Document may be copied, photocopied or duplicated in any form by any means, or distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

An application has been made to SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares that are already issued, the Placement Shares and the Award Shares on Catalist. Such permission will be granted when we have been admitted to the Official List of Catalist. Our acceptance of applications for the Placement Shares will be conditional upon, among others, the issue of the Placement Shares and permission being granted by SGX-ST to deal in, and for the listing and quotation of, all of our Shares that are already issued, the Placement Shares and the Award Shares. Monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, if the completion of the Placement does not occur because the said permission is not granted for any reason, or if the admission, listing and trading of all our Shares that are already issued, the Placement Shares and the Award Shares do not proceed for any reason, and the applicant will not have any claim against us or the Sponsor and Issue Manager and Placement Agent. No Shares shall be allotted or issued, as the case may be, on the basis of this Offer Document later than six months after the date of registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of SGX-ST. In particular, companies may list on Catalist without a track record of profitability and we are unable to assure you that there will be a liquid market for the shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. SGX-ST does not normally review the application for admission but relies on the Sponsor and Issue Manager confirming that our Company is suitable to be listed on Catalist and complies with the Rules of Catalist. Neither the Authority nor SGX-ST has, in any way, considered the merits of our Shares being offered for investment.

Admission to the Official List of Catalist is not to be taken as an indication of the merits of the Placement, our Company, our Shares that are already issued, the Placement Shares and the Award Shares.

A copy of this Offer Document has been lodged with and registered by SGX-ST, acting as agent on behalf of the Authority. The registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, the SFR, the Rules of Catalist or any other legal or regulatory requirements have been complied with. We have not lodged this Offer Document in any other jurisdiction.

Notification under Section 309B of the SFA: The Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

We are subject to the provisions of the SFA, the SFR and the Rules of Catalist regarding the contents of this Offer Document. In particular, pursuant to Section 241 of the SFA, if after the registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority, but before the close of the Placement, we become aware of:

(a) a false or misleading statement in this Offer Document;

(b) an omission from this Offer Document of any information that should have been included in it under the requirements of Section 243 of the SFA; or

(c) a new circumstance that has arisen since this Offer Document was lodged with SGX-ST, acting as agent on behalf of the Authority, and which would have been required by Section 243 of the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with SGX-ST, acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:

(a) where the Placement Shares have not been issued to the applicants, we shall either:

    (i) (A) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

    (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, provide the applicants with a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or

    (iii) (A) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and (B) within seven days from the date of the lodgement of the supplementary or replacement offer document, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk and the applicants shall not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent; or

(b) where the Placement Shares have been issued to the applicants, we shall either:

(i) (A) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

(ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; or

(iii) (A) treat the issue of the Placement Shares as void, in which case the issue shall be deemed void; and (B) we shall, within seven days from the date of the lodgement of the supplementary or replacement offer document, return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk and the applicants shall not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent.

An applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven days from the receipt of such notification, return all monies paid in respect of the application, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk and the applicant shall not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to us, whereupon we shall, within seven days from the receipt of such notification and documents, if any, return to him all monies paid by him for those Placement Shares (at his own risk and without interest or any share or revenue or other benefit arising therefrom), and the issuance of those Placement Shares shall be deemed to be void, and the applicant shall not have any claim against us or the Sponsor and Issue Manager and Placement Agent.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances, issue a stop order (the "Stop Order") to our Company directing that no Shares or no further Shares to which this Offer Document relates be allotted, issued or sold. Such circumstances will include a situation where this Offer Document (a) contains any statement which, in the Authority's opinion, is false or misleading, (b) omits any information that is required to be included in it under Section 243 of the SFA, (c) does not, in the Authority's opinion, comply with the requirements of the SFA, or (d) where the Authority is of the opinion that it is in the public interest to issue a Stop Order.

In the event that the Authority issues a Stop Order and applications to subscribe for the Placement Shares have been made prior to the Stop Order, then:

(a) where the Placement Shares have not been issued to the applicants, the applications for the Placement Shares shall be deemed to have been withdrawn and cancelled and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or

(b) where the Placement Shares have been issued to the applicants, the issuance of the Placement Shares shall be deemed to be void and we shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares.

Where monies are to be returned in respect of any application, it will be returned to the applicant at his own risk, without interest or any share of revenue or other benefit arising therefrom, and the applicant will not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent.

None of us, the Sponsor and Issue Manager and Placement Agent or any other parties involved in the Placement is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. You should consult your legal, financial, tax or other professional adviser(s) before deciding to invest in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us or the Sponsor and Issue Manager and Placement Agent. Neither the delivery of this Offer Document, the Application Form or any documents relating to the Placement, nor the Placement, shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to create any change in our affairs, condition or prospects, or the Placement Shares or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, SGX-ST and/or any other regulatory or supervisory body or agency, we will make an announcement of the same to SGX-ST and the public and, if required, we may lodge a supplementary or replacement offer document with SGX-ST, acting as agent on behalf of the Authority, and will comply with the requirements of the SFA and/or any other requirements of SGX-ST. All applicants should take note of any such announcements and, upon the release of such an announcement, shall be deemed to have notice of such changes.

Except as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Placement Shares are offered for subscription solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any persons other than the applicants in connection with their application for the Placement Shares or for any other purpose.

DETAILS OF THE PLACEMENT

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised, nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Form may be obtained on request, subject to availability, during office hours, from:

United Overseas Bank Limited
80 Raffles Place
#03-03 UOB Plaza 1
Singapore 048624

An electronic copy of this Offer Document is also available on SGX-ST's website at http://www.sgx.com.

The Application List will open immediately upon the registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority, and will remain open until 12.00 noon on 17 December 2018 or such other period or periods as our Directors may, in consultation with the Sponsor and Issue Manager and Placement Agent, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary or replacement offer document is lodged with SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application for the Placement Shares are set out in "Terms, Conditions and Procedures for Application and Acceptance", as set out in Appendix G to this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable on the trading of our Shares is set out below:

Indicative Date and Time	Event
17 December 2018 at 12.00 noon	Closing of Application List
19 December 2018 at 9.00 a.m.	Commence trading on a "ready" basis
21 December 2018	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that (a) the date of closing of the Application List will be 17 December 2018; (b) the Listing Date will be 19 December 2018; (c) the shareholding spread requirement of SGX-ST will be complied with; and (d) the Placement Shares will be issued and fully paid up prior to 9.00 a.m. on 19 December 2018. The actual date on which our Shares will commence trading on a "ready" basis will be announced when it is confirmed by SGX-ST.

The above timetable and procedures may also be subject to such modification as SGX-ST may, in its absolute discretion, decide, including the commencement of trading on a "ready" basis.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

(a) through an SGXNET announcement to be posted on the internet at SGX-ST's website at http://www.sgx.com; and

(b) in a major English language newspaper in Singapore.

We will publicly announce the results of the Placement (including the level of subscription for the Placement Shares) as soon as it is practicable after the close of the Application List through the channels in (a) and (b) above.

Investors should consult SGX-ST's announcement on "ready" trading date released on the internet (at SGX-ST's website at http://www.sgx.com), or the newspapers or check with their brokers on the date on which trading on a "ready" basis will commence.

OFFER DOCUMENT SUMMARY

The following summary highlights certain information found in greater detail elsewhere in this Offer Document and should be read in conjunction with the full text of this Offer Document. As it is a summary, it does not contain all the information that potential investors should consider before investing in our Shares. Potential investors should read the entire Offer Document carefully, especially the section titled "Risk Factors" of this Offer Document, before deciding to invest in our Shares.

OUR COMPANY

Our Company was incorporated in Singapore on 19 July 2009 under the Companies Act as a private company limited by shares, under the name Clearbridge Biomedics Pte. Ltd.. On 1 November 2018, our Company was converted into a public company limited by shares and the name of our Company was changed to Biolidics Limited in connection therewith.

BUSINESS OVERVIEW

We are a Singapore-based medical technology company focusing on the development of cell enrichment systems which, when combined with other analytical tests, have a wide range of applications for cancer diagnosis, prognosis, treatment selection and treatment monitoring.

Please refer to the section titled "Our Business – Business Overview" of this Offer Document for further details.

COMPETITIVE STRENGTHS

We believe that we have the following competitive strengths:

- we have a technologically proven platform for enrichment of CTCs which can be integrated with other analytical tests for diagnosis, prognosis, treatment selection and treatment monitoring;
- we have strong relationships with leading academic and research institutions, laboratories and diagnostics manufacturers; and
- we have demonstrated quality assurance capabilities.

Please refer to the section titled "Our Business – Competitive Strengths" of this Offer Document for further details.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategy comprises the following key elements:

- expand our clinical services applications and clinical services customer segment;
- advance our pipeline products; and
- enhance our internal capabilities.

Please refer to the section titled "Our Business – Business Strategies and Future Plans" of this Offer Document for further details.

OUR CONTACT DETAILS

Our registered office and principal place of business is located at 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257. The telephone and facsimile numbers of our registered office and principal place of business are (65) 6482 0668 and (65) 6482 0778, respectively. Our internet address is http://www.biolidics.com and our email address is ir@biolidics.com. **Information contained on any website is not incorporated by reference into this Offer Document and you should not rely on such information.**

FINANCIAL HIGHLIGHTS

The following tables present a summary of our financial highlights and should be read in conjunction with the section titled "Management's Discussion and Analysis of Results of Operations and Financial Condition" of this Offer Document and the "Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Financial Years Ended December 31, 2015, December 31, 2016 and December 31, 2017", the "Interim Condensed Unaudited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Six Months Ended June 30, 2018" and the "Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendices A, B and C to this Offer Document, respectively.

The Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of our actual financial position, financial performance or cash flows.

Selected Items from the Consolidated Statements of Comprehensive Income

	← Audited →			← Unaudited →			
(S$'000)	**FY2015**	**FY2016**	**FY2017**	**Pro Forma FY2017**	**HY2017**	**HY2018**	**Pro Forma HY2018**
Revenue	804	1,942	2,084	2,084	1,221	627	627
Loss before tax	(8,028)	(6,866)	(7,212)	(4,237)	(4,198)	(2,775)	(1,902)
Loss for the year/period	(8,028)	(6,866)	(7,212)	(4,237)	(4,198)	(2,775)	(1,902)
Pre-Placement EPS (cents)[(1)]	(3.73)	(3.19)	(3.35)	(1.97)	(1.95)	(1.29)	(0.88)
Post-Placement EPS (cents)[(2)]	(3.31)	(2.83)	(2.97)	(1.75)	(1.73)	(1.14)	(0.78)

Selected Items from the Consolidated Statements of Financial Position

		Unaudited		
(S$'000)	**Audited as at 31 December 2017**	**Pro Forma as at 31 December 2017**	**as at 30 June 2018**	**Pro Forma as at 30 June 2018**
Current assets	4,084	10,784	1,808	8,512
Non-current assets	1,122	1,122	1,060	1,060
Current liabilities	11,003	1,209	10,919	819
Non-current liabilities	18,049	–	18,617	–
(Net capital deficiency)/ Total equity	(23,846)	10,697	(26,668)	8,753
NAV per Share (cents)[3]	(11.09)	4.98	(12.40)	4.07

Notes:

(1) For comparative purposes, our pre-Placement EPS for the Period Under Review have been computed based on the loss for the year/period and our pre-Placement share capital of 215,000,000 Shares.

(2) For comparative purposes, our post-Placement EPS for the Period Under Review have been computed based on the loss for the year/period and our post-Placement share capital of 242,500,000 Shares.

(3) Our NAV per Share as at 31 December 2017 and 30 June 2018 have been computed based on our pre-Placement share capital of 215,000,000 Shares.

THE PLACEMENT

The Placement	:	27,500,000 Placement Shares offered by way of placement, subject to and on the terms and conditions set out in this Offer Document.
Issue Price	:	S$0.28 for each Placement Share, payable in full on application.
Listing Status	:	Prior to the Placement, there had been no public market for our Shares. Our Shares will be quoted in Singapore dollars on Catalist, subject to admission of our Company to Catalist and permission to deal in, and for the listing and quotation of, our Shares that are already issued, the Placement Shares and the Award Shares being granted by SGX-ST and the Authority not issuing a Stop Order.
Risk Factors	:	Investing in our Shares involves risks, which are described in the section titled "Risk Factors" of this Offer Document.
Use of Proceeds	:	Please refer to the section titled "Use of Proceeds and Listing Expenses" of this Offer Document for further details.

PLACEMENT STATISTICS

Issue Price	28.0 cents
NAV	
Pro forma NAV per Share as of 30 June 2018[(1)]:	
(a) before adjusting for the estimated net proceeds from the issuance of the Placement Shares and based on our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares	4.1 cents
(b) after adjusting for the estimated net proceeds from the issuance of the Placement Shares and based on our Company's share capital immediately after the completion of the Placement of 242,500,000 Shares	6.1 cents
Premium of Issue Price over the pro forma NAV per Share as of 30 June 2018[(1)]:	
(a) before adjusting for the estimated net proceeds from the issuance of the Placement Shares and based on our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares	582.9%
(b) after adjusting for the estimated net proceeds from the issuance of the Placement Shares and based on our Company's share capital immediately after the completion of the Placement of 242,500,000 Shares	359.0%
EPS	
Pro forma EPS based on the unaudited pro forma consolidated statements of comprehensive income of our Company for FY2017 and our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares	(2.0) cents
Pro forma EPS based on the unaudited pro forma consolidated statements of comprehensive income of our Company for FY2017 and our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares, assuming that the Service Agreement had been in place from the beginning of FY2017	(2.1) cents
Price-Earnings Ratio ("PER")	
PER based on the Issue Price, the pro forma EPS for FY2017 and our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares	n.m.[(2)]
PER based on the Issue Price, the pro forma EPS for FY2017 and our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares, assuming that the Service Agreement had been in place from the beginning of FY2017	n.m.[(2)]

PLACEMENT STATISTICS

Net Operating Cash Flow[3]

Pro forma net operating cash flow per Share of our Company for FY2017 based on our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares	(1.8) cents
Pro forma net operating cash flow per Share of our Company for FY2017 based on our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares, assuming that the Service Agreement had been in place from the beginning of FY2017	(1.9) cents

Price To Net Operating Cash Flow Ratio

Ratio of Issue Price to pro forma net operating cash flow per Share for FY2017 based on our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares	n.m.[2]
Ratio of Issue Price to pro forma net operating cash flow per Share for FY2017 based on our Company's share capital immediately before the completion of the Placement of 215,000,000 Shares, assuming that the Service Agreement had been in place from the beginning of FY2017	n.m.[2]

Market Capitalisation

Market capitalisation based on the Issue Price and our Company's share capital immediately after the completion of the Placement of 242,500,000 Shares	S$67.9 million

Notes:

(1) Based on the unaudited pro forma consolidated statements of financial position of our Company as of 30 June 2018.

(2) Not meaningful.

(3) Net operating cash refers to the net cash flows (used in)/from operating activities, as referred to in the unaudited pro forma consolidated statements of cash flows of our Company for FY2017.

Prospective investors should consider carefully, together with all other information contained in this Offer Document, the risks described below before deciding whether to invest in our Shares. The risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also affect our business operations. Our business, financial condition, results of operations and prospects could be materially and adversely affected by any of these risks. The market price of our Shares could decline due to any of these risks and you may lose a part or all of your investment in our Shares.

This Offer Document also contains forward-looking statements that involve risks and uncertainties. The actual results of our operations could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face as described below and elsewhere in this Offer Document. Please refer to the section titled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document for further details.

Before deciding to invest in our Shares, prospective investors should seek professional advice from their advisers about their particular circumstances.

RISKS RELATING TO OUR BUSINESS OR THE INDUSTRY IN WHICH WE OPERATE

We have incurred losses and negative operating cash flows and cannot be certain that we will achieve or sustain profitability

Based on our audited consolidated statements of comprehensive income, we incurred losses after taxation of approximately S$8.0 million, S$6.9 million, S$7.2 million and S$2.8 million for FY2015, FY2016, FY2017 and HY2018, respectively. In addition, based on our audited consolidated statements of cash flows, we incurred negative operating cash flows of approximately S$3.3 million, S$3.9 million, S$3.7 million and S$1.7 million for FY2015, FY2016, FY2017 and HY2018, respectively.

In recent years, we have incurred significant costs in connection with the development and marketing of our products. For FY2015, FY2016, FY2017 and HY2018, our R&D expenses were approximately S$1.5 million, S$2.3 million, S$1.0 million and S$0.5 million, respectively, and our sales and marketing expenses were approximately S$0.3 million, S$0.3 million, S$0.3 million and S$0.1 million, respectively. After the Placement, we expect our operating expenses to increase in the near term as we continue to expand our business through, among others, the development and marketing of our products, and due to the costs of the Placement. The increase in operating expenses may adversely affect our results of operations and may result in or contribute to net losses in future periods. There can be no assurance that we will be able to generate significant revenue and attain profitability in any future period or that even if attained, we can sustain profitability. We are subject to risks inherent in the operation of a medical technology company in the early stage of commercialisation of products and/or services and there can be no assurance that we will be able to successfully address those risks. Any adverse events relating to our business or a significant shortfall of revenue compared to our expectations or any material delay of market acceptance of our products and/or services may have a material and adverse effect on our business, financial condition and results of operations.

Clinical validation of our products and/or services involves significant costs and risks

Commercial acceptance of our products and/or services by, among others, physicians, patients and the medical community is dependent on the successful demonstration of clinical utility of these products and/or services, which in turn depends on the success of clinical validations. Clinical validation could be time-consuming and expensive. The length of time required to complete clinical validation for clinical diagnostics and laboratory tests varies substantially according to the degree of regulation and the type, complexity, novelty and intended use of a test, and can continue for an extended period of time, causing significant costs to be incurred over several years. The commencement and completion of clinical validation for our products and/or services may be delayed by many factors, including:

- governmental or regulatory delays and changes in regulatory requirements, policies and guidelines that are evaluated for approval;
- limited number of, and competition for, suitable patients that meet the protocol's inclusion criteria and do not meet any of the exclusion criteria;
- delay or failure to reach an agreement on acceptable clinical validation terms or clinical validation protocols with prospective sites or investigators;
- delay or failure to obtain the institutional review board's approval or renewal to conduct a clinical validation at a prospective or accruing site, respectively;
- inability or unwillingness of patients or medical investigators to follow our clinical validation protocols or allocate sufficient resources to complete our clinical validations;
- lack of sensitivity and specificity during clinical validation; and
- varying interpretation of data by regulatory agencies.

Clinical validation may identify significant effectiveness or technical problems or other obstacles that will need to be overcome before we can demonstrate the clinical utility of our products and/or services. This may involve conducting new or additional validation studies at significant additional cost.

Our products and/or services may not enjoy commercial acceptance

We currently derive substantially all of our revenue from the sale of our ClearCell® FX1 System and CTChip® FR1 biochip, which we launched commercially in 2015. We are in varying stages of R&D for other products and/or services that we may offer, such as diagnostic tests for the analysis of CTCs after enrichment with our ClearCell® FX1 System. Even if our products and/or services successfully demonstrate clinical utility and obtain clinical validation, they may not enjoy commercial acceptance or success. Commercial acceptance of our products and/or services will depend on a number of factors, including:

- market acceptance or familiarity among patients, physicians, medical centres and third party purchasers;
- demonstrated clinical safety and efficacy compared to other products and/or services;

- the ability to develop a sales force capable of effectively marketing our products and/or services;
- the extent to which reimbursement is available from government health administration authorities, private healthcare insurers and other healthcare funding organisations;
- timing of market introduction and perceived effectiveness of competitive products and/or services;
- the extent to which our products and/or services are approved for inclusion on the diagnostic tests menus of hospitals and managed care organisations; and
- favourable publicity about our products and/or services from, among others, key opinion leaders and the medical community.

If any of our products and/or services do not achieve an adequate level of acceptance by physicians, patients and the medical community, we may not generate sufficient revenue from these products and/or services, and we may not become or remain profitable. Although we have not experienced any of the above events in the past which had a material impact on our business, financial condition and results of operations, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, financial condition and results of operations.

Purchases from two third party manufacturers accounted for a significant percentage of our total cost of sales for the Period Under Review

Our products are currently assembled by two third party manufacturers, which in turn depend on specialised suppliers for certain critical components, such as pumps, flow sensors, raw biochips and other components that are necessary to assemble our ClearCell® FX1 System, as well as for the tooling and production of our CTChip® FR1 biochip. Purchases from these third party manufacturers accounted for approximately 86.7%, 72.9%, 79.8% and 56.9% of our total cost of sales in FY2015, FY2016, FY2017 and HY2018, respectively. Please refer to the section titled "Our Business – Major Suppliers" of this Offer Document for further details.

As these critical components are complex and the assembly process is subject to stringent specifications, there is a limited availability of such suppliers. Components meeting our standards may not always be available on acceptable terms, if at all, and our third party manufacturers may be unable to locate alternative suppliers or produce necessary materials or components on their own. If our third party manufacturers cannot obtain necessary materials or components in a timely manner, they may be unable to assemble products of acceptable quality in sufficient quantities to meet our needs. We may also be unable to develop new products and applications and conduct clinical trials. This would compromise our ability to obtain necessary regulatory approvals, thereby impairing our ability to expand into new markets or develop new products. In addition, certain of our third party manufacturers may be required to possess certain permits, licences or certifications to assemble our medical devices. Any failure by them to obtain or renew such permits, licences or certifications in a timely manner, or at all, could affect their ability to supply products to us and our business operations may be materially disrupted.

If our third party manufacturers or their principal suppliers were to experience an incident leading to work stoppage, uninsured loss or under-insured loss, they might not be able to obtain adequate alternative sources of supplies or products or could face significant delays and incur substantial costs in doing so. Any significant uninsured loss, prolonged or repeated disruption, or inability to

operate experienced by any of our third party manufacturers or their principal suppliers could have a material and adverse impact on our business, financial condition and results of operations.

If we experience a modification or disruption of our development or manufacturing arrangements with any of these third parties, we may be unable to deliver products to our customers on a timely basis and we may experience customer dissatisfaction and damage to our reputation.

Our existing arrangements may not be successful and we may not be able to negotiate acceptable arrangements with replacement manufacturers which can meet our needs. Our inability to subcontract the manufacture of or commercialise our devices successfully could have a material adverse effect on our business, financial condition and results of operations.

We also have relationships with institutions that use blood samples and other biological materials for the testing and validation of our current products and our planned future products. If one or more of these institutions terminates their relationship with us, we will need to identify other third parties which have access to such blood samples and biological materials, which could result in a delay in our R&D activities and negatively affect our business. In addition, as we grow, our research and academic institution collaborators may seek additional financial contributions from us, which may negatively affect our results of operations.

We may not be able to adequately protect our patents, intellectual property rights and other proprietary rights

Our patents and proprietary technology may not be sufficient to protect our intellectual property rights, which we believe are critical to our business. In addition, our success will depend, in part, on our ability to maintain and defend our patents, which include patents covering the technologies and processes involved in our ClearCell® FX1 System and our CTChip® FR1 biochip, from which we derive the majority of our revenue. However, the technologies and processes covered by our patents may be found to be obvious or substantially similar to prior work, which could render these patents unenforceable. Moreover, as our patents will at one time or another expire, competitors may then utilise the technology found in such patents. In order to offset the expiring patents, we endeavour to secure additional patents on critical, commercially desirable improvements to the inventions of the expiring patents. There can be no assurance that we will be successful in securing such additional patents, or that such additional patents will adequately offset the effect of the expiring patents.

There can be no assurance that pending patent applications will result in issued patents, that future patent applications will be issued, that patents issued to or licensed by us will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our technology or to provide us with a competitive advantage. The validity and breadth of claims in medical technology patents involve complex legal and factual questions. Our patents may be found to be invalid and other companies may claim rights in or ownership of the patents and other proprietary rights held or licensed by us. Also, our existing patents may not cover products and/or services that we develop in the future. Moreover, when our patents expire, the inventions will enter the public domain.

The coverage of patents is subject to interpretation by the courts, and such interpretation is not always uniform or predictable. Where a competitor infringes on our patent or other intellectual property rights, we intend to enforce such intellectual property rights when we determine that a successful outcome is probable and may lead to an increase in the value of the intellectual property. If we choose to enforce our intellectual property rights against a party, that individual or company has the right to ask the court to rule that such intellectual property rights are invalid or

should not be enforced. These lawsuits and proceedings are expensive and would consume time and resources and divert the attention of our managerial and scientific personnel even if we were successful in stopping the infringement of such intellectual property rights. In addition, there is a risk that the court will decide that such intellectual property rights are not valid and that we do not have the right to stop the other party from using the inventions. There is also the risk that, even if the validity of such intellectual property rights is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe our intellectual property rights. Any failure to enforce our intellectual property rights or to defend any legal proceedings regarding our intellectual property rights, including those patents covering the technologies and processes involved in our ClearCell® FX1 System and our CTChip® FR1 biochip, may materially and adversely affect our business, financial condition and results of operations.

Our registered or unregistered trade marks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trade marks and trade names, which we need to build name recognition by potential partners or customers in our markets of interest. Furthermore, it can be difficult and costly to defend trade marks from encroachment or misappropriation outside Singapore. Over the long term, if we are unable to establish name recognition based on our trade marks and trade names, we may not be able to compete effectively and our business, financial condition and results of operations may be materially and adversely affected.

Although we have not experienced any of the above events in the past which had a material impact on our business, financial condition and results of operations, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, financial condition and results of operations.

We are exposed to the risk of claims by third parties that we have infringed their intellectual property rights

We may be subject, in the ordinary course of our business, to legal proceedings and claims from time to time relating to the intellectual property of others, which could have a material adverse effect on our business, financial condition and results of operations. We cannot be sure that the products, services, technologies and advertising we employ in our business do not or will not infringe valid patents, trade marks, copyrights or other intellectual property rights held by third parties. In addition, our collaboration and joint venture partners may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardise or invalidate our intellectual property or proprietary information or expose us to potential litigation. They may also infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability. Any legal action against us claiming damages or seeking to restrain us from engaging in commercial activities relating to the affected products, methods or processes may:

- require us, or our partners, to obtain a licence to continue to use, manufacture or market the affected products, methods or processes, and such a licence may not be available on commercially reasonable terms, if at all;
- prevent us from making, using or selling the subject matter claimed in patents held by others and subject us to potential liability for damages;
- consume a substantial portion of our managerial and financial resources; and/or
- result in litigation or administrative proceedings that may be costly, whether resolved in our favour or not.

Although we have not experienced any of the above events in the past which had a material impact on our business, financial condition and results of operations, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, financial condition and results of operations.

We may require additional funding for our future capital expenditure and working capital, as well as to implement our long-term business strategies

We may require additional funding for our future capital expenditure and working capital. It is likely that we will need to access the capital markets for debt or equity financing to fund future capital expenditure after the listing of and quotation for our Shares on Catalist. Our future capital requirements may be substantial and we may need significant external financing to fund our growth. Our ability to obtain additional financing depends on a number of factors, such as market conditions, our operating performance and the commercial viability of our products and/or services.

There is no assurance that we will be able to obtain additional financing in a timely manner and on terms that are acceptable to us, or at all. If we require additional funds and cannot raise them on acceptable terms, we may not be able to:

- execute our growth plan for our products and/or services;
- take advantage of future opportunities, including synergistic acquisitions; or
- proactively respond to customers, competitors or violators of our proprietary and contractual rights.

In addition to the above, we may be forced to delay R&D activities, clinical validations, potential investments or otherwise curtail or cease our operations. Should such events occur, our business, financial condition and results of operations may be materially and adversely affected.

Further, if we raise additional funds by way of a placement or rights offering or through the issuance of new Shares or other securities, this may require additional investments by Shareholders. Any Shareholders who are unable or unwilling to participate in such an additional round of fund raising may suffer dilution in their investment. If we fail to utilise the new equity to generate a commensurate increase in earnings, our EPS will be diluted and this could lead to a decline in our Share price.

We may also raise additional funds by issuing debt securities or by borrowing from banks or other resources. Any debt financing may, in addition to increasing our interest expense and debt to equity ratio, be accompanied by conditions that limit our ability to pay dividends, require us to seek lenders' consent for payment of dividends or restrict our freedom to operate our business by requiring lenders' consent for certain corporate actions. If we are unable to procure the additional funding that may be required on acceptable terms, or at all, or if we are unable to service our potential new debt financing, our business, financial condition and results of operations may be materially and adversely affected.

We are reliant on relationships with strategic partners

We collaborate with strategic partners such as academic and research institutions for funding, networking, development, commercialisation and marketing of our products. Such collaborations are generally non-exclusive in nature. In particular, we have entered into non-exclusive collaboration agreements with Sysmex, National Cancer Centre of Singapore and Hospices Civils de Lyon. Any benefits that are received by us through these relationships are dependent upon these relationships continuing. Failure to enter into or the termination of these relationships could restrict our growth and materially and adversely affect our business, financial condition and results of operations. In addition, there can be no assurance that future agreements with strategic partners can be made on commercially acceptable terms, or at all.

We do not have the resources necessary to independently develop and commercialise all the potential products that may result from the technologies we develop. We have limited or no control over the resources any strategic partner may devote to our products. Any of our present or future strategic partners may not perform their obligations as expected. These strategic partners may breach or terminate their agreements with us or otherwise fail to conduct their collaborative activities successfully and in a timely manner. Further, our strategic partners may not develop products arising out of the collaborative arrangements or devote sufficient resources to the development, marketing or commercialisation of these products and technologies.

We face significant competition in seeking appropriate strategic partners. Our ability to reach a definitive agreement for collaboration will depend, among other things, upon our assessment of the strategic partner's resources and expertise, the terms and conditions of the proposed collaboration and the proposed partner's evaluation of a number of factors. These factors may include the design or results of clinical trials, the likelihood of approval by the US FDA, CFDA or similar regulatory authorities, the potential market for the subject product candidate, the costs and complexities of manufacturing and the potential of competing products. The strategic partner may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such collaboration could be more attractive than the one with us for our product candidate.

Disagreements with strategic partners may develop over rights to our products and technology. In addition, collaboration agreements entered into or to be entered into with collaborators may have provisions that could give rise to disputes regarding rights and obligations of the parties. Any conflict with strategic partners could lead to termination of the agreements or arrangements we may have with such parties or result in litigation or arbitration, which could materially and adversely affect our business. Further, some of the strategic partners are or may become competitors in the future. If strategic partners develop competing products, preclude us from entering into collaborations with their competitors, fail to obtain necessary regulatory approvals, terminate their agreements with us prematurely, or fail to devote sufficient resources to the development and commercialisation of our products and technologies, our development efforts, business, financial condition and results of operations could be materially and adversely affected.

We are subject to extensive legal and regulatory requirements in the countries in which we operate and any changes in the relevant laws and regulations may significantly increase our compliance burden

Our products and business activities are regulated by various laws and regulations governing medical devices in the countries in which we market and sell our products and we are subject to extensive supervision by government and other agencies in respect of various aspects of our operations, including licensing and certification requirements, product registration requirements, quality and safety standards and periodic renewal and reassessment procedures.

Commercialisation of our products requires access to, or the development of, manufacturing facilities that meet applicable regulatory standards to ensure a consistent supply of our products. For example, we are required to possess various permits, licences or certifications to market and sell our products and our suppliers, distributors and manufacturers are subject to similar requirements. Our ClearCell® FX1 System has obtained CE-IVD marking in the EU as well as US FDA Class I registration. Further, we have collaborated with BGI to develop a BGI-assembled CTC enrichment system (the MGI EasyCell System) based on our ClearCell® FX1 System, which has obtained CFDA Class I registration. In the future, we may also seek similar regulatory approvals in other classes and/or jurisdictions for our products. If we or these third parties, including our suppliers, distributors and manufacturers, are unable to obtain or renew such permits, licences or certifications in a timely manner, or at all, we and/or such third parties may not be able to manufacture, sell and/or distribute the relevant products in the relevant jurisdiction and our business operations in such jurisdictions may be materially disrupted.

The process of obtaining regulatory approvals to market a medical device can be costly and time-consuming. There can be no assurance that such approvals will be granted on a timely basis, if at all, or if granted, will not be withdrawn, restricted or changed. Furthermore, there can be no assurance of continuing compliance with all regulatory requirements necessary for the assembly, marketing and sale of the products in each market where they are currently sold, or that our products will continue to comply with applicable regulatory requirements.

We and our suppliers, distributors and manufacturers may also be subject to periodic inspections, examinations, inquiries or audits by government agencies, and an adverse outcome from any such inspection, examination, inquiry or audit may result in the loss or non-renewal of permits, licences or certifications required for essential business operations. In addition, we are subject to certain restrictions in the scope of our permitted business activities in certain jurisdictions. We incur ongoing costs and obligations associated with compliance with the relevant laws, regulations and standards, and failure to comply with these laws, regulations and standards could result in additional costs for corrective measures, subject us to penalties or restrictions on our business operations or otherwise cause disruption to our business operations. For example, government agencies in the countries where we market and sell our products have the authority to order a mandatory recall of our products or order their removal from the market if there are material deficiencies or defects in the design, manufacture, installation, servicing or labelling of the device. A government-mandated voluntary recall or field action by us could occur as a result of component failures, manufacturing errors or design defects, including labelling defects. Any recall of our products may harm our reputation with customers and divert managerial attention and adversely affect our financial condition and results of operations.

We have had to react to changes in applicable laws, regulations, rules and guidance in the past and future changes to such laws, regulations, rules and guidance could require extensive changes to our business operations or give rise to increased compliance costs or material liabilities, which would have a material and adverse effect on our business, financial condition and results of operations. In addition, healthcare reforms in any of the jurisdictions we cover may result in structural changes to the relevant healthcare system. If we are unable to adapt our sales and marketing strategies accordingly, our business may be materially and adversely affected.

Although we have not experienced any of the above events in the past which had a material impact on our business, financial condition and results of operations, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, financial condition and results of operations.

We operate in an emerging and fast-growing industry and our products and services could become non-competitive

Competition in the field of cancer diagnostics is intense and characterised by rapid development and introduction of new technologies and tests. Our competitors in the field of liquid biopsies include, among others, major diagnostic companies, clinical laboratories as well as research institutions who may have greater resources, longer operating histories or a wider range of products, or are better entrenched in the markets that we operate in or intend to venture into. In addition, new competitors may enter the industry, resulting in increased competition.

Our success will depend, in part, on our ability to develop, acquire, license and/or obtain distribution rights for new and improved technologies on favourable terms. We may not be able to negotiate acceptable licensing arrangements and such arrangements may not yield commercially successful tests. If we are unable to obtain the rights to testing methods that we conduct further development on at competitive rates, we may not be able to recover our R&D costs. In addition, if we are unable to obtain the rights to new or improved technologies to expand our laboratory testing solutions, our testing methods may become outdated when compared with our competitors, resulting in a decrease in demand for our services, thereby having a material adverse effect on our business, financial condition and results of operations.

In addition, our competitors may establish cooperative relationships with or obtain distributorship rights from other large incumbent medical technology and services companies. Competition may result in price reductions, reduced gross margins and loss of market share.

We may encounter unforeseen technological or scientific problems that will force abandonment or substantial change in the development of a specific product or process. In addition, if we introduce new products and/or services, or enhancements to existing products and/or services, our revenue and overall profitability may be negatively impacted. Among the risks associated with the introduction of new products and/or services are the acceleration of the economic obsolescence of the existing, unimproved products and/or services and their components, delays in development or manufacturing, variations in cost, delays in customer purchases in anticipation of new introductions, difficulty in predicting customer demand for the new and existing product and/or service offerings and the risks that new products and/or services may have quality or other defects.

Accordingly, the life cycles of our products and/or services are difficult to estimate. The introduction by other market participants of products and/or services harnessing new technologies and the emergence of new industry standards may render our products and/or services obsolete and unmarketable. Our failure to introduce new products and/or services that keep pace with technological advancements, respond to evolving consumer requirements and achieve market acceptance could have a material adverse effect on our business, financial condition and results of operations.

We have a limited operating history and it will be difficult to predict our future performance

We have a limited operating history. As such, any evaluation of our Company and our prospects will be based on a limited operating history. Our limited operating experience, coupled with the rapidly evolving nature of the medical device business and other factors beyond our control, may limit our ability to accurately forecast revenue and expenses. Any predictions made about our future success or viability may not be as accurate as they could be if we had a longer operating history.

Our results of operations may significantly fluctuate from quarter to quarter or year to year due to a variety of factors, many of which are beyond our control. Fluctuations in our business may also be caused by the risk factors set out in this section of the Offer Document.

We are vulnerable to fluctuations in demand in the industries in which our customers operate

It is anticipated that our revenue, for the foreseeable future, will be derived from, among others, products and/or services provided to a number of industries including the healthcare, pharmaceutical and biotechnology industries. Accordingly, our success may depend upon such industries' demand for the products and/or services. Demand may vary as a result of factors outside our control such as changes in economic conditions and regulatory environment, pricing pressures and reimbursement policies, market driven pressures on companies to consolidate and reduce costs, and other factors affecting R&D spending. If such events were to occur, our business, financial condition and results of operations may be materially and adversely affected.

Cost containment measures instituted by healthcare providers and insurers and any general healthcare reform could have a material adverse effect on our ability to generate revenue from the sale of our products and/or services. Significant changes in healthcare systems could have a substantial impact on the manner in which we conduct our business and could require us to revise our strategies. We cannot predict the effect of future legislation, regulation or reform concerning the healthcare industry on our business and what impact such proposals might have on demand for our products and/or services.

We may not be able to protect the confidentiality of our proprietary information and the value of our technology, products and/or services

In addition to patent and trade mark protection, we also rely on other proprietary rights, including protection of trade secrets and other proprietary information. To maintain the confidentiality of trade secrets and proprietary information, we enter into confidentiality agreements with our employees, consultants, collaborators and others upon the commencement of their relationships with us. These agreements typically require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. Our agreements with employees and our personnel policies also typically provide that any inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. However, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. Thus, despite such agreements, such inventions may become assigned to third parties. In the event of unauthorised use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information. To the extent that our employees, consultants or contractors use technology or know-how owned by third parties in their work for us, disputes may arise between us and those third parties as to the rights in related inventions. To the extent that an individual who is not obligated to assign rights in intellectual property to us is rightfully an inventor of intellectual property, we may need to obtain an assignment or a licence to that intellectual property from that individual, a third party or, that individual's assignee. Such assignment or licence may not be available on commercially reasonable terms or at all.

Adequate remedies may not exist in the event of unauthorised use or disclosure of our proprietary information. The disclosure of our trade secrets would impair our competitive position and may materially and adversely affect our business, financial condition and results of operations. Costly and time-consuming litigation may be necessary to enforce and determine the scope of our proprietary rights, and failure to maintain trade secret protection could adversely affect our competitive business position. In addition, others may independently discover or develop similar trade secrets and proprietary information, and the existence of trade secrets affords no protection against such independent discovery.

Although we have not experienced any of the above events in the past which had a material impact on our business, financial condition and results of operations, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, financial condition and results of operations.

We may not be able to gain access to relevant intellectual property rights of third parties, and our licensing partners may terminate our rights to certain technologies that are licensed or sub-licensed to us

We enter into licensing agreements with third parties to utilise intellectual property rights to various proprietary technologies that are material to our business. In each of these cases, the licensor retains their full ownership interest with respect to the licensed patent rights, and our rights to use the technologies associated with those patents and to employ the inventions claimed in the licensed patent rights are subject to the continuation of and our compliance with the terms of those licences.

In some cases, we do not control the prosecution, maintenance or filing of the patents to which we hold licences, and the enforcement of our licensed patents or defence of any claims asserting the invalidity of these patents is subject to the control or cooperation of our licensors. We cannot be certain that our licensors will prosecute, maintain, enforce and defend the licensed patent rights in a manner consistent with the best interests of our business. We also cannot be certain that the drafting or prosecution of the licensed patents by our licensors has been conducted in compliance with applicable laws and regulations and will result in valid and enforceable patents and other intellectual property rights.

Further, our existing agreements impose, and we expect that future agreements may impose, among others, various diligence, commercialisation, milestone payment, royalty, and other obligations on us. Certain of our licences contain provisions that allow the licensor to terminate the licence upon the occurrence of specific events or conditions. If we are found to be in breach of any of our licence agreements, our licensors may in certain circumstances take action against us, including by terminating the applicable licence. For the avoidance of doubt, our existing licence agreements do not include change in control events as circumstances for termination. Because of the complexity of our product candidates and the patents we have licensed, determining the scope of the licences and related obligations may be difficult and could lead to disputes between us and the licensor. An unfavourable resolution of such a dispute could lead to an increase in the royalties payable pursuant to the licence or a termination of the licence. If any of our licensors were to terminate our licence agreement, we may be prevented from the continued use of certain technologies in the manufacturing of products or provision of our services. This could delay or prevent us from offering our products and/or services. We might not have the necessary rights or the financial resources to develop, manufacture or market our current or future products and/or services without the rights granted under these licences, and the loss of sales or potential sales could have a material adverse effect on our business, financial condition and results of operations. In particular, we are dependent on our licence agreements with the University of Cincinnati and

the NUS for the right to use certain patented inventions and/or technologies in the design of our products and, in the event that any of these agreements are terminated, our business would be materially and adversely impacted. Please refer to the section titled "Our Business – Intellectual Property – Licence Agreements" of this Offer Document for further details on our licence agreements with the University of Cincinnati and the NUS.

Although we have not experienced any of the above events in the past which had a material impact on our business, financial condition and results of operations, we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, financial condition and results of operations.

We will incur costs to maintain our intellectual property rights

Periodic maintenance fees, renewal fees, annual fees and various other governmental fees on patents and/or applications will be due to the various patent offices at various points over the lifetime of our patents and/or applications, including those which we license from other parties. For FY2015, FY2016, FY2017 and HY2018, our payments of fees for patent rights amounted to approximately S$0.2 million, S$0.2 million, S$0.1 million and S$0.1 million, respectively. Additionally, the various patent offices require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply with the patent application and maintenance processes, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with rules applicable to the particular jurisdiction. However, there are situations in which non-compliance may result in the abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If such an event were to occur, it may have a material and adverse effect on our business, financial condition and results of operations. In addition, we are responsible for the payment of fees for patent rights that we have licensed from other parties. If we fail to do so, we may be liable to the licensor for any costs and consequences of any resulting loss of patent rights, which may have a material and adverse effect on our business, financial condition and results of operations.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers

As is common in our business, we may employ individuals who were previously employed by other companies in the same industry, including our competitors or potential competitors. We may be subject to claims that these employees, or we, have used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management. Any such claims may have a material and adverse effect on our business, financial condition and results of operations.

We may be subject to claims challenging the inventorship of our patents and other intellectual property

Although we are not currently experiencing any claims challenging the inventorship of our patents or ownership of our intellectual property, we may in the future be subject to claims that former employees, collaborators or other third parties have an interest in our patents or other intellectual property as an inventor or co-inventor. For example, inventorship disputes may arise from conflicting obligations of consultants or others who are involved in developing our products and/or services. Litigation may be necessary to defend against these and other claims challenging

inventorship. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or the right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management and other employees.

Our collaborators may assert ownership or commercial rights to inventions arising from the collaboration

We collaborate with several institutions, physicians and researchers in scientific matters. We do not have written agreements with certain of such collaborators, or the written agreements we have do not cover intellectual property rights. If we cannot successfully negotiate sufficient ownership and commercial rights to any inventions that result from our use of a collaborator's materials, or if disputes arise with respect to the intellectual property developed with the use of data developed in a collaborator's study, our ability to capitalise on the market potential of these inventions or developments may be limited.

We have a small customer base and any reduction in demand from our customers could adversely affect our results

We commenced commercialisation of our key product, the ClearCell® FX1 System, in 2015 after we obtained CE-IVD marking for our ClearCell® FX1 System, allowing us to market and sell our ClearCell® FX1 System to academic and research institutions, hospitals and laboratories in the EU. For FY2015, FY2016, FY2017 and HY2018, our major customers accounted for an aggregate of approximately 91.7%, 96.0%, 81.1% and 81.1%, respectively, of our total revenue. Please refer to the section titled "Our Business – Major Customers" of this Offer Document for further details. We are dependent upon the continued growth, viability and financial stability of our customers whose industries have experienced consolidation, pricing and regulatory pressures. We expect to continue to depend upon a relatively small number of customers for a significant percentage of our total revenue. A significant reduction in sales to any of our customers, or a customer exerting significant pricing and margin pressures on us, would have a material adverse effect on our business, financial condition and results of operations.

Our price margins are dependent on unpredictable market conditions

If market conditions force us to sell our products at lower prices, or if we are unable to effectively develop and market competitive products, our market share, margins and results of operations will likely decrease. The selling price of our products is subject to market conditions, such as:

- changes in the reimbursement policies of government and third party payors;
- hospital or physician practice budgetary constraints;
- introduction of competing products;
- price reductions by our competitors;
- development of more effective products by our competitors; and
- lengthening of buying or selling cycles.

Should such events occur, our business, financial condition and results of operations may be materially and adversely affected.

Our performance is dependent on external factors beyond our control

Our results of operations are affected by a number of factors, including:

- adverse changes in general economic conditions;
- fluctuations in demand for liquid biopsy products and services by customers in the healthcare, pharmaceutical and biotechnology industries;
- our ability to remain competitive in the liquid biopsy industry, which is evolving rapidly with new technologies replacing legacy products, services and paradigms; and
- fluctuations in the cost and availability of materials for our suppliers, which in turn affect the purchase price of our inventories.

Any one or a combination of these factors could materially and adversely affect our business, financial condition and results of operations in the future.

Our margins may be affected by pricing restrictions and group purchasing organisations

The sales of our products will depend, in part, on the extent to which third party reimbursement is available from government health administration authorities, private healthcare insurers and other healthcare funding organisations. Some element of price control over medical devices exists in most major markets and third party reimbursement is highly variable and complex. There is increasing pressure by governments worldwide to contain healthcare costs by limiting both the coverage and the level of reimbursement for diagnostic products and by refusing, in some cases, to provide any coverage for products that have not been approved by the relevant regulatory agency. There can be no assurance that health administration or third party coverage will allow us to achieve pricing that provides an appropriate return on our investment. We may face other hurdles to market acceptance if, for example, a significant number of practitioners wait to see additional clinical data or if it becomes necessary to conduct studies corroborating the role of our products.

In addition, our potential or existing customers may organise with each other or with third parties, such as distributors, manufacturers or hospitals, to negotiate prices that are lower than we may have been able to obtain from each individually. Should such events occur, our business, financial condition and results of operations may be materially and adversely affected.

Our business could be materially and adversely affected by any harm to our reputation

Physicians and key opinion leaders typically influence the medical device purchasing decisions of the hospitals or academic medical centres in which they practice. Consequently, our reputation with physicians and key opinion leaders is critical to sales of our medical device and our continued growth. We believe that we have built a positive reputation based on the quality of our products, our product development efforts, our marketing and training efforts and our presence at medical and scientific conferences and international and local trade fairs. Any actual or perceived diminution in the quality of our products, or our failure or inability to maintain these other efforts, could damage our reputation with physicians and key opinion leaders and cause our sales and growth to be limited and our business, financial condition and results of operations to be materially and adversely affected.

Any failure in our physician education efforts could significantly reduce the effectiveness of our product marketing

If physicians and technicians use our products and/or services improperly, they may have unsatisfactory patient outcomes or patient injury might result, which may give rise to negative publicity or lawsuits against us. Any such incidents could have a material adverse effect on our reputation as a medical device company. Therefore, it is important to the success of our marketing efforts to educate physicians, technicians and customers in using our products and/or services. We rely on physicians to spend their time and money to attend our pre-sale educational sessions. Positive results from using our products and/or services are highly dependent upon the proper use by a physician or technician. Any improper use of our products and/or services could have a material adverse effect on our business, financial condition and results of operations.

We depend on the continued service of our management team

Our continued success is dependent to a large extent on our ability to retain our key management personnel who are responsible for formulating and implementing our growth, corporate development and overall business strategies. The demand for such experienced personnel is intense and the search for personnel with the relevant skill sets can be time consuming. The loss of our key management personnel without suitable or comparable replacements in a timely manner may have a material and adverse effect on our business, financial condition and results of operations.

Furthermore, since the demand and competition for talent is intense in our industry, and the availability of suitable and qualified candidates is limited, we may need to offer higher compensation and other benefits in order to attract and retain key personnel in the future, which could increase our costs. Pursuant to the Service Agreement entered into with our Executive Director and CEO, Mr. Ivan Lew, we may issue Shares to Mr. Ivan Lew as part of his remuneration. Please refer to the section titled "Management and Corporate Governance – Service Agreement" of this Offer Document for further details. In addition, we may grant share Awards to our employees and Directors pursuant to the Biolidics Performance Share Plan. Please refer to the section titled "Biolidics Performance Share Plan" of this Offer Document and "Rules of the Biolidics Performance Share Plan", as set out in Appendix F to this Offer Document, for further details. We may need to increase our total remuneration to attract and retain experienced personnel required to achieve our business objectives and such increase or failure to attract and retain experienced personnel could materially and adversely affect our business, financial condition and results of operations.

We require highly skilled and technically capable staff to operate successfully

Our ability to operate successfully and manage our future growth depends significantly on our ability to attract, retain and motivate highly skilled and qualified research, technical, clinical, regulatory, sales, marketing, managerial and financial personnel. Skilled personnel with the appropriate experience in our industry are limited and competition for the employment of such personnel is intense. There is no assurance that we will be able to attract the necessary skilled personnel or that we will be able to retain such skilled personnel. If we are unable to retain our skilled personnel or find suitable and timely replacements for the skilled personnel who leave us, our product development and revenue will be materially and adversely affected.

In addition, competition for skilled and qualified workers may require us to enhance our remuneration packages in order to remain competitive in recruiting or retaining our staff, which may significantly increase our costs. We believe that factors that such skilled and qualified

personnel consider important in choosing their employer include the level of compensation, the reputation of the prospective employer, professional relationships, quality of facilities, research opportunities, community relations, and job satisfaction. We may not always compare favourably with our competitors. If any of our employees joins a competitor or starts a competing business, we may lose know-how, trade secrets, clients and key professionals and staff. Certain of our employees have non-compete provisions in their employment agreements and have also signed non-disclosure and confidentiality agreements with us in relation to the sensitive business information to which they have access. Non-compete provisions may be restrictively interpreted by the courts of the countries in which we operate in the context of employment contracts. We cannot assure you that a court would enforce such provisions in a manner that protects our interests, or at all.

Our success will also depend on the ability of our officers and key employees to continue to implement and improve our operational, financial and other systems, to manage multiple, concurrent customer relationships, to respond to increasing compliance requirements and to hire, train and manage our employees. Our future success is heavily dependent upon growth and acceptance of our products. If we cannot scale our business appropriately or otherwise adapt to anticipated growth and complexity and new product introductions, a key part of our strategy may not be successful.

Changes in government policies may also result in a shortage of skilled and qualified personnel and will likely increase the costs of recruiting and retaining such personnel. Our business, financial condition and results of operations could be materially and adversely affected if our costs of recruiting and retaining suitable staff increase significantly. If we are unable to successfully manage our growth and expansion through recruiting and retaining sufficient skilled and qualified personnel, our business, financial condition and results of operations may be materially and adversely affected.

If our sole laboratory facility becomes damaged or inoperable, or we are required to vacate the facility, our ability to sell and provide our products and pursue our R&D efforts may be jeopardised

We do not have any laboratory facilities other than our facility located at 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257 ("Science Park Facility"), where we conduct certain R&D work. Our facilities and equipment could be damaged or rendered inoperable by natural or man-made disasters, including fire, earthquake, flooding and power outages, which may impede our R&D work and our operations for some period of time. Furthermore, our facilities and the equipment we use to perform our R&D work could be costly and time-consuming to repair or replace. The inability to sell our current or planned future products may result in the loss of customers or harm to our reputation or relationships with scientific or clinical collaborators, and we may be unable to regain those customers or repair our reputation in the future.

Under the terms of the lease agreement for our Science Park Facility, the landlord may re-enter and take possession of the property in certain circumstances, whereupon the lease will come to an end. Such circumstances include (a) if we fail to pay the gross rent or any other sum payable under the lease within a specified time, (b) if we fail to comply with the lease and, if the default is capable of remedy, fail to remedy the default within a specified time, and (c) if any distress or execution is levied on our property and is not discharged within a specified time. In the event we are required to vacate our Science Park Facility, we may not be able to identify alternative premises in a timely manner, which could disrupt our operations and adversely affect our results of operations.

Additionally, a key component of our R&D process involves using biological samples. In some cases, these samples are difficult to obtain. If the parts of our laboratory facility where we store these biological samples are damaged or compromised, our ability to pursue our R&D projects, as well as our reputation, could be jeopardised. We carry insurance for damage to our property and the disruption of our business, but this insurance may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, if at all.

We are vulnerable to disruptions to our information systems

Our information systems for our R&D activities as well as our operations are protected through physical and software safeguards and we have backup remote processing capabilities. They are still vulnerable, however, to storms, flood, fire, terrorist or cyber attacks, power loss, telecommunications failures, physical or software break-ins, computer viruses and similar events. If our critical information systems fail or are otherwise unavailable, we would have to accomplish these functions manually, which could temporarily impact our ability to identify business opportunities quickly, maintain records reliably, and bill for services efficiently. In addition, we depend on third party vendors for certain functions whose future performance and reliability we cannot warrant to. Any disruptions to our information systems will materially and adversely affect our business, financial condition and results of operations.

We are exposed to various global and local risks that could have a material adverse effect on our financial condition and results of operations

We have operations in Singapore and we also appoint distributors in more than 30 countries, including China, Japan and South Korea. International sales and operations are subject to a variety of risks, including:

- greater difficulty in staffing and managing foreign operations;
- greater risk of uncollectible accounts;
- longer collection cycles;
- logistical and communication challenges;
- potential adverse changes in laws and regulatory practices, including export licence requirements, trade barriers, tariffs and tax laws;
- changes in labour conditions;
- burdens and costs of compliance with a variety of foreign laws;
- political and economic instability;
- increases in duties and taxation;
- greater difficulty in protecting intellectual property;
- changes in general economic and political conditions in these foreign markets;
- natural disasters;
- imposition of restrictions on foreign currency conversion or the transfer of funds; and
- appropriation or nationalisation of private enterprise or confiscation of private property or assets.

We expect these risks to increase as we pursue our strategy of expanding into new geographic markets. We may not succeed in developing and implementing effective policies and strategies in each location where we conduct business. Any failure to do so may materially and adversely affect our business, financial condition and results of operations.

We may not be able to increase supply to meet future demand for our products

We are seeking to grow sales of our products, in particular, our ClearCell® FX1 System. If we are successful, such growth may strain our ability to supply an increasingly large quantity of our products. Manufacturers regularly experience difficulties in scaling up production and we may face such difficulties in increasing our supply levels and maintaining the quality of our products. Our failure to produce products of satisfactory quality or in sufficient quantities could adversely affect our reputation, cause hospitals or distributors to cancel orders or refrain from placing new orders for our products, or reduce or slow growth of sales of our products and our business, financial condition and results of operations may be materially and adversely affected. Increases in our supply volume could also make it harder for us to maintain control over expenses, manage relationships with our suppliers, maintain good relations with employees or otherwise manage our business. Any failure to do so may materially and adversely affect our business, financial condition and results of operations.

We have limited sales, marketing and distribution experience

To develop sales, marketing and distribution capabilities, we will have to invest significant amounts of financial and managerial resources.

For product candidates where we decide to perform sales, marketing and distribution functions ourselves, we could face a number of additional challenges, such as not being able to build and maintain an effective marketing or sales force. If we use third parties to market and sell our products, we may have limited or no control over their sales, marketing and distribution activities on which our future revenue may depend. Our local distributors may cease their business relationships with us, substantially reduce their orders with us or fail to meet performance targets or other terms in their distributorship agreements with us. Also, disputes between us and our local distributors or the breach of applicable laws and regulations by our local distributors may cause our operations in the relevant jurisdiction to be disrupted.

Our ability to maintain and grow our business will depend, in large part, on our ability to maintain and manage a marketing and distribution network that delivers our products in the jurisdictions where we and/or our distributors generate market demand through sales and marketing activities. Our strategies contemplate that we will seek to, among other things, expand our marketing and distribution network in existing and new geographical markets, which will require us to establish relationships with new distributors. We cannot assure you that we will be successful in doing so. If we are unable to maintain and/or expand our marketing and distribution network, our business and prospects may be adversely affected.

In addition, certain of the licences, permits and registrations that are required for our sales and marketing operations in various countries are held by our local distributors in the respective countries, and we would work with these local distributors to obtain and renew such licences, permits and registrations. We would also typically work with them to transfer the relevant licences, permits and registrations in the event of a change of our local distributors. These licences, permits and registrations may be subject to conditions stipulated in their terms and/or the relevant laws and regulations under which they are issued. We have no control over the operations of our local distributors and cannot assure you that they will obtain, renew or transfer the relevant licences,

permits or registrations in a timely manner, or at all, nor can we assure you of their compliance with the conditions to which the relevant licences, permits or registrations may be subject. Any revocation or non-renewal of these licences, permits and registrations as a result of the actions of our local distributors could disrupt our operations and have a material and adverse impact on our business, results of operations and prospects.

If any of the foregoing occurs and we are unable to find alternative distributors in the relevant jurisdiction, our business, financial condition and results of operations could be adversely affected.

If we become involved in litigation, we may incur substantial expenses

We have entered into several contractual relationships with third parties and have granted distribution rights to certain distributors in specific territories around the world. In the event of disputes regarding any of our contractual obligations with third parties, we may become involved in litigation or other legal proceedings, and may incur substantial expenses and the efforts of our management personnel may be diverted in order to resolve such disputes. The outcome of any litigation or legal proceeding would be uncertain, and even if we were to prevail, such litigation or legal proceeding may be costly and time-consuming. If we were to be involved in any such legal proceedings and incur substantial expenses, our business, financial condition and results of operations may be materially and adversely affected.

We may be subject to product liability claims

The sale and distribution of our products carry an inherent risk of product liability claims and other damage claims. Although we believe that our existing product liability insurance is adequate, our insurance may not fully protect us from the financial impact of defending against product liability claims. Any product liability claim brought against us, with or without merit, could increase our insurance rates or prevent us from securing insurance coverage in the future. Additionally, any product liability lawsuit could damage our reputation, result in the recall of products, or result in the termination of existing agreements by our partners, any of which could impact our results of operations.

We could be liable for damages and injury arising from use of biological and hazardous materials and may incur significant costs in complying with laws and regulations governing the use of these materials

Our activities currently require the controlled use of potentially harmful biological materials and chemicals such as blood samples, cancer cell lines and formaldehyde. We cannot eliminate the risk of accidental contamination or injury to employees or third parties from the use, storage, handling or disposal of these materials. In the event of contamination or injury, we could be held liable for any resulting damages, and any liability could exceed our resources or any applicable insurance coverage we may have. Additionally, we are subject to laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. The cost of compliance with these laws and regulations may become significant and could have a material adverse effect on our business, financial condition and results of operations. In the event of an accident or if we otherwise fail to comply with applicable regulations, we could lose our permits or approvals or be held liable for damages or penalised with fines.

Our insurance coverage may not be adequate to indemnify us against all possible liabilities

We maintain different insurance policies covering various aspects of our business. Please refer to the section titled "Our Business – Insurance" of this Offer Document for further details. There can be no assurance that such insurance can be obtained on commercially reasonable terms or at all, or that any such coverage will sufficiently cover any losses suffered by us. Our insurance policies are generally renewed on an annual basis and there can be no assurance that we will be able to renew all our policies or obtain new policies on similar terms. Liabilities may exceed our available insurance coverage or arise from claims outside the scope of our insurance coverage. In the event that the amount of such claims exceeds the coverage of the general insurance policies which we have taken up, we may be liable for shortfalls in the amounts claimed and our financial condition and results of operations may be materially and adversely affected.

We may be affected by unfavourable exchange rate fluctuations

Our functional and reporting currency is the S$. We are exposed to exchange rate fluctuations arising from sales, purchases or expenses that are denominated in a currency other than the functional currency of our Company. We currently do not have a formal policy with respect to our foreign exchange transactions and have not undertaken any hedging activities as our revenue and expenses in foreign currencies were not significant during the Period Under Review. To the extent that our revenue, purchases and expenses are not sufficiently matched in the same currency and to the extent that there are timing differences between receipt and payment, we will be exposed to any adverse fluctuation in exchange rates. Any restrictions over the conversion or timing of conversion of foreign currencies may also expose us to adverse fluctuations in exchange rates. As a result, our financial performance may be adversely affected. For example, in FY2017 and HY2018, we recorded a loss on foreign exchange differences of approximately S$0.2 million and S$0.01 million, respectively.

Our growth strategy of expanding through acquisitions, joint ventures or strategic alliances may not be successful and we may fail to realise the anticipated benefits

One of our business strategies is to grow our capabilities through acquisitions that will be synergistic to our existing business.

Expansion through acquisitions involves many risks and uncertainties, including the following:

- inability to identify suitable acquisition targets or compete for attractive acquisition targets;
- difficulties in obtaining financing to fund acquisitions;
- failure to complete acquisitions under commercially acceptable terms;
- inability to secure necessary governmental approvals or third party consents in a timely manner, which may expose us to liabilities, fines or penalties;
- difficulties in managing a larger and growing business, operating in new geographic regions and optimising the allocation of resources and operational efficiency;
- potential ongoing financial obligations and unforeseen, hidden or latent liabilities of acquired businesses and other risks unidentified before the acquisitions;

- failure to effectively integrate various operating functions, standardise information systems, identify and eliminate redundant and underperforming operations and assets, conform standards, controls, procedures and accounting and other policies, and establish unified corporate cultures and compensation structures among the combined operations;

- managing costs of inefficiencies associated with the consolidation of the combined operations and poor performance of the acquired businesses that leads to potential impairment costs;

- adverse effect on our combined gross margin or liquidity if the gross margin or cash flow of an acquired business is worse than ours;

- failure to retain the key management personnel or key sales and marketing personnel of the acquired businesses; and

- diversion of resources and management attention from our existing business.

In addition, we may seek and pursue opportunities via joint ventures or strategic alliances for expansion from time to time, which may cause us to face similar risks and uncertainties.

Failure to successfully address these risks and uncertainties may materially and adversely affect our ability to carry out our expansion plans, integrate and consolidate newly acquired or newly formed businesses and realise all or any of the anticipated benefits of such expansion, which may have an adverse impact on our financial condition and results of operations.

RISKS RELATING TO OUR SHARES

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of SGX-ST

An application has been made to SGX-ST for the listing and quotation of our Shares on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to attach as compared to larger or more established companies listed on the Main Board of SGX-ST. As such, an investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of SGX-ST. We are unable to assure you that an active or liquid trading market for our Shares will develop or be sustained following the Placement.

An active trading market for our Shares may not develop

Prior to the Placement, there had not been a public market for our Shares and an active public market for our Shares may not develop or be sustained after the Placement. The extent to which a trading market may develop or how liquid the market might become depends on a variety of factors, including our results of operations, performance of our business, competitive conditions, general economic, political and social factors, volatility in the Singapore and global securities markets and the performance of the Singapore economy. As such, we cannot assure you that an active trading market for our Shares will develop or, if developed, will be sustained. Although we currently intend that our Shares will remain listed on SGX-ST, we cannot guarantee the continued listing of our Shares.

Our Share price may fluctuate significantly in the future and you may lose all or part of your investment

The market price of our Shares may fluctuate significantly and rapidly as a result of, among others, the following factors, some of which are beyond our control:

(a) variation in our results of operations;

(b) our prospects, as well as those of the medical technology industry;

(c) changes in securities analysts' estimates of our results of operations and their recommendations;

(d) announcements made by us about significant contracts, acquisitions, strategic alliances or joint ventures or capital commitments;

(e) additions or departures of key personnel;

(f) involvement in litigation;

(g) the valuations of publicly-traded companies that are engaged in business activities similar to ours;

(h) general economic and stock market conditions; and

(i) discrepancies between our actual results of operations and those expected by investors and securities analysts.

The Singapore stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices of securities. These fluctuations have often been unrelated or disproportionate to the operating performance of publicly-traded companies. In the past, following periods of volatility in the market price of a particular company's securities, an investor may lose part or all of his investment and litigation has sometimes been brought against that company. If similar litigation is instituted against us, it could result in substantial costs and diversion of management's attention and resources from our core businesses.

Future sales or issuances of our Shares may adversely affect our Share price

In the event we issue, or our Shareholders sell, substantial amounts of our Shares following the Placement, the price of our Shares may be subject to downward pressure. Such downward pressure may also make it difficult for us to issue new Shares and raise the necessary funds in the future at a time and price we deem appropriate. In addition, our Share price may also come under downward pressure if certain of our Shareholders sell their Shares upon the expiry of their moratorium periods. Please refer to the section titled "Shareholders – Moratorium" of this Offer Document for further details.

We may require additional funding in the form of equity or debt for our future growth, which may cause dilution in Shareholders' equity interests

Following the Placement, we may pursue opportunities to grow our business through joint ventures, strategic alliances, acquisitions or investment opportunities. However, we are unable to assure you that we will be able to obtain additional funding on terms that are acceptable to us, or at all. If we are unable to do so, our future plans and growth may be adversely affected.

To the extent that funds generated from operations have been exhausted, we may have to raise additional funds to meet new financial requirements which may be by way of a rights offering (which may be subject to Shareholders' approval), through the allotment and issuance of new Shares or through borrowings.

An issuance of Shares or other equity securities to raise funds will dilute Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Furthermore, an issuance of Shares below the then prevailing market price may also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issuance of Shares is at a premium to the market price.

Any disruptions, volatility or uncertainty in the credit markets could limit our ability to borrow funds or cause our borrowings to be more expensive, as we may be forced to pay unattractive interest rates, thereby increasing our interest expense, decreasing our profitability and reducing our financial flexibility if we take on additional debt financing. The terms of any future debt financing may also subject us to certain covenants that limit or otherwise adversely affect our ability to declare and pay dividends to Shareholders. Such covenants may also restrict our ability to undertake additional investments and may require us to create security interests over our assets or set aside funds for the maintenance or repayment of security deposits.

Investors may not be able to participate in future rights issues or certain other equity issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we may be subject to certain regulations as to the procedures to be followed in extending such rights issue to Shareholders or in disposing of their entitlements for the benefit of such Shareholders and making the net proceeds available to them. In addition, we may choose not to extend such rights issue to our existing Shareholders having an address in jurisdictions outside of Singapore.

Accordingly, certain Shareholders may be unable to participate in future equity offerings by us and may experience dilution in their shareholdings as a result.

Negative publicity relating to our Company or any of our Directors, Executive Officers or Substantial Shareholders may adversely affect the market price of our Shares

Negative publicity or announcements relating to our Company or any of our Directors, Executive Officers or Substantial Shareholders, whether or not justified, may adversely affect market perception of our Company or the market price of our Shares. Examples of these may include unsuccessful attempts in joint ventures, acquisitions or takeovers, or involvement in insolvency proceedings.

Control by our Controlling Shareholder may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

After the completion of the Placement, our Controlling Shareholder, Clearbridge BSA, will hold approximately 24.8% of the issued share capital of our Company. As a result, it will be able to significantly influence our corporate actions such as mergers or take-over attempts in a manner which may not be in line with the interests of our public Shareholders. It may also have significant influence in relation to any Shareholder action or approval which requires a special resolution except in situations where it is required by the Rules of Catalist, SGX-ST or undertakings given by it and its associates to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company which may not benefit our Shareholders.

Investors in our Shares will face immediate and substantial dilution in NAV per Share and may experience future dilution

Our Issue Price of 28.0 cents per Share is substantially higher than our NAV per Share of 6.1 cents (based on our unaudited pro forma consolidated statements of financial position as of 30 June 2018 and after adjusting for the estimated net proceeds from the issuance of the Placement Shares and based on our Company's share capital immediately after the completion of the Placement of 242,500,000 Shares). Dilution is determined by subtracting our NAV per Share immediately after the completion of the Placement from the Issue Price paid by the new investors. NAV per Share is determined by subtracting total liabilities from total assets, and dividing the difference by the number of Shares deemed to be outstanding on the date as of which the book value is determined. Since the Issue Price per Share exceeds the NAV per Share immediately after the completion of the Placement, investors who participate in the Placement will experience immediate dilution.

We may not be able to pay dividends in the future

Our ability to declare dividends to our Shareholders in the future will be contingent on, among others, our future financial performance and distributable reserves. This may be affected by factors such as general economic conditions, market sentiment, market competition and the success of our future plans and business strategies, many of which are beyond our control. As such, there is no assurance that we will be able to pay dividends to our Shareholders.

Furthermore, in the event that we are required to enter into any loan arrangements with any financial institutions, certain covenants in the loan agreements may limit when and how much dividends we can declare and pay out.

Singapore take-over laws contain provisions (which may vary from those in other jurisdictions) which could adversely affect the market price of our Shares

The Take-over Code contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control of our Company. Under the Take-over Code, except with the consent of the Securities Industry Council of Singapore, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares, is required to extend a take-over offer for the remaining voting Shares in accordance with the Take-over Code. Except with the consent of the Securities Industry Council of Singapore, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of the voting Shares, either on his own or together with parties acting in concert with him, acquires additional voting

Shares representing more than 1.0% of the voting Shares in any six-month period. While the Take-over Code seeks to ensure an equality of treatment among Shareholders, its provisions could substantially impede the ability of the Shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefits from a potential change of control.

USE OF PROCEEDS AND LISTING EXPENSES

The estimated net proceeds from the Placement, after deducting placement commissions and estimated offering expenses, will be approximately S$6.1 million.

USE OF PROCEEDS

We intend to utilise the net proceeds from the Placement primarily for the following purposes:

- expand our clinical services applications and clinical services customer segment;
- advance our pipeline products; and
- general corporate and working capital purposes.

For each dollar of the gross proceeds from the Placement, we intend to use the following amounts for the purposes set out below:

	Amount in Aggregate (S$'000)	Estimated Amount Allocated for Each Singapore Dollar of the Gross Proceeds from the Placement (cents)
Use of Proceeds		
Expand our clinical services applications and clinical services customer segment	2,700	35.0
Advance our pipeline products	2,400	31.2
General corporate and working capital purposes	1,000	13.0
Payment of placement commissions, fees and expenses arising from the Placement and the Listing[(1)]	1,600	20.8
Gross proceeds from the Placement	**7,700**	**100.0**

Note:

(1) Please refer to the section titled "Use of Proceeds and Listing Expenses – Expenses" below for further details.

Further details of our use of proceeds may be found in the section titled "Our Business – Business Strategies and Future Plans" of this Offer Document.

The foregoing represents our best estimate of our allocation of the proceeds from the Placement based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that we decide to reallocate the net proceeds or use portions of the net proceeds for other purposes, we will publicly announce our intention to do so through an SGXNET announcement on SGX-ST's website at http://www.sgx.com.

Pending the deployment of the net proceeds as described above, the funds may be placed in short-term deposits, money market instruments and/or used for our Company's working capital requirements, as our Directors may, in their absolute discretion, deem appropriate.

We will make periodic announcements on the use of the proceeds from the Placement as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in our annual report.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the Placement.

EXPENSES

We estimate that the costs and expenses payable by us in connection with the Placement and the application for Listing, including placement commissions and all other incidental expenses, will be approximately S$1.6 million. A breakdown of these estimated expenses is as follows:

	Estimated Expenses[(1)] (S$'000)	**As a Percentage of the Gross Proceeds from the Placement (%)**
Listing and processing fees	40	0.5
Professional fees[(2)]	970	12.6
Placement commissions	347	4.5
Miscellaneous expenses[(3)]	243	3.2
Total	**1,600**	**20.8**

Notes:

(1) Excludes GST. Of the total estimated expenses of S$1.6 million, approximately S$0.5 million will be capitalised against our Company's share capital and approximately S$1.1 million will be charged to profit or loss.

(2) Includes the sponsorship and management fee payable to the Sponsor and Issue Manager, solicitors' fees, fees for the Independent Auditor and Reporting Accountant and other professionals' fees.

(3) Includes the cost of the printing of this Offer Document, road show expenses and certain other expenses incurred or to be incurred in connection with the Placement.

We will pay the Sponsor and Issue Manager and Placement Agent, as compensation for its services in connection with the Placement, a placement commission which is equal to 4.5% of the Issue Price (subject to prevailing GST) multiplied by the aggregate number of Placement Shares. This placement commission (subject to prevailing GST) will amount to approximately S$0.01 for each Placement Share.

Subscribers of the Placement Shares may be required to pay to the Placement Agent or any sub-placement agent(s) that may be appointed by the Placement Agent a brokerage fee of up to 1.0% of the Issue Price and the prevailing GST thereon, if applicable.

Please refer to the section titled "Plan of Distribution" of this Offer Document for a description of the commissions payable in connection with the Placement.

PLAN OF DISTRIBUTION

THE PLACEMENT

The Placement is for 27,500,000 Placement Shares being offered by our Company at the Issue Price by way of placement.

The Placement Shares are made available to retail and institutional investors in Singapore who apply through their brokers or financial institutions by way of the Application Form. Applications for the Placement Shares may only be made by way of the Application Form. The terms, conditions and procedures for application and acceptance are described in Appendix G to this Offer Document.

Management and Placement Arrangements

Pursuant to the Management Agreement, our Company has appointed UOB as the Sponsor and Issue Manager to sponsor and manage the admission of our Company to the Official List of Catalist and the quotation of and dealing in all the issued Shares, Placement Shares and Award Shares on the Official List of Catalist. UOB will receive a sponsorship and management fee from our Company for such services rendered in connection therewith.

Pursuant to the Placement Agreement, our Company has requested UOB, as Placement Agent, and UOB has agreed, subject to the terms and conditions set forth in the Placement Agreement, to subscribe or procure subscriptions for, the Placement Shares for a placement commission of 4.5% of the Issue Price for each Placement Share (subject to prevailing GST) multiplied by the aggregate number of Placement Shares.

Subscribers for the Placement Shares may be required to pay a brokerage fee of up to 1.0% of the Issue Price (and the prevailing GST, if applicable) to the Placement Agent or any sub-placement agent(s) that may be appointed by the Placement Agent. UOB shall be at liberty to make sub-placement arrangements for the Placement Shares.

Notwithstanding anything contained in each of the Management Agreement and the Placement Agreement (collectively, the "Agreements"), the Agreements may be rescinded by UOB in its absolute discretion on the occurrence of certain events prior to 12.00 noon on the date of the closing of the Application List ("Closing Date"), including the following:

(a) if there shall come to the knowledge of UOB of any breach by our Company of any of the representations, warranties or undertakings in the Agreements or that any of the representations, warranties or undertakings in the Agreements is untrue or incorrect;

(b) any occurrence of an event occurring on or after the date of the Agreements and prior to 12.00 noon on the Closing Date or the date of commencement of trading of the Shares on the Official List of Catalist (whichever is applicable) which, if it had occurred before the date of the Agreements, would have rendered any of the representations, warranties or undertakings contained in the Agreements untrue, incorrect or misleading in any material respect;

(c) if there shall have been, since the date of the Agreements:

    (i) any adverse change, or any development or event involving a prospective adverse change, in the condition (financial or otherwise), performance or general affairs of our Company;

(ii) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive, notice or request issued by the Accounting and Corporate Regulatory Authority of Singapore, the Authority, the Securities Industry Council of Singapore, SGX-ST or any other relevant authority) in Singapore or elsewhere or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere (whether or not having the force of law), that has or is reasonably expected to have a material adverse effect or prospective material adverse effect on the condition, performance, general affairs, prospects, future plans and trends of our Company, financial or otherwise, other than as disclosed in the preliminary offer document and/or the Offer Document;

(iii) any change, material adverse fluctuation or any development involving a prospective change, in local, national, regional or international financial, political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including, without limitation, to the conditions in the stock market, foreign exchange market, inter-bank market or interest rates or money market in Singapore or any other jurisdiction, or the imposition of any moratorium, suspension or restriction on trading in securities generally on SGX-ST due to exceptional financial circumstances or otherwise, adverse changes in foreign exchange controls in Singapore and overseas) or a combination of any such changes or development or crisis, or deterioration thereof;

(iv) any imminent threat or occurrence of any local, national, regional or international outbreak or escalation of hostilities, insurrection, terrorist attacks or armed conflict whether or not war has been declared (whether or not involving financial markets in any jurisdiction);

(v) any regional or local outbreak of disease that may have a material adverse effect on the financial markets; or

(vi) any other occurrence of any nature whatsoever,

which event or events shall, in the reasonable opinion of UOB, (A) result or be likely to result in a material adverse fluctuation or material adverse conditions in the stock market in Singapore or elsewhere; or (B) be likely to materially prejudice the success of the Placement (whether in the primary market or in respect of dealings in the secondary market); or (C) make it impracticable, inadvisable, inexpedient or uncommercial to proceed with any of the transactions contemplated in the Agreements; or (D) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company; or (E) be such that no reasonable sponsor or issue manager, or as the case may be, placement agent, would have entered into the Agreements; or (F) result or be likely to result in the issue of a Stop Order by the Authority (pursuant to the SFA), SGX-ST acting as agent on behalf of the Authority, or any other competent authority; or (G) make it uncommercial or otherwise contrary to or outside the usual commercial practices of sponsors and issue managers, or as the case may be, placement agents, in Singapore for UOB to observe or perform or be obliged to observe or perform the terms of the Agreements;

(d) if the Placement Agreement, or as the case may be, the Management Agreement is terminated for whatever reason;

(e) the issue of a Stop Order by the Authority (in accordance with Section 242 of the SFA), or by SGX-ST, acting as agent on behalf of the Authority (to the extent applicable), or any other competent authority (notwithstanding that a supplementary or replacement offer document is lodged or registered with SGX-ST, acting as agent on behalf of the Authority pursuant to Section 241 of the SFA);

(f) without limiting the generality of the foregoing, if it comes to the notice of UOB that: (i) any statement contained in the Offer Document or the Application Form which in the sole and absolute opinion of UOB has become untrue, incorrect or misleading in any material respect; or (ii) circumstances or matters have arisen or have been discovered, which would, if the Offer Document was to be issued at that time, constitute in the sole and absolute opinion of UOB a material omission of information, and our Company fails to lodge or register a supplementary or replacement offer document or document within a reasonable time after being notified of such material misrepresentation or omission or fails to promptly take such steps as UOB may reasonably require to inform investors of the lodgement or registration of such supplementary or replacement offer document or document. In such an event, UOB reserves the right, at its absolute discretion, to inform SGX-ST and the Authority and to cancel the Placement and any application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicants for the Placement Shares by ordinary post or telegraphic transfer at the applicant's own risk within 14 days of the termination of the Placement; or

(g) if the Shares have not been admitted to the Official List of Catalist on or before 31 March 2019 (or such other date as our Company and UOB may agree).

Pursuant to the Agreements, our Company will hold UOB or any of its directors, officers, employees or agents (collectively, the "Indemnified Parties") fully and effectively indemnified against all losses, claims, liabilities, costs (including legal costs on a full indemnity basis), charges, expenses, actions and demands which any of them incur or suffer or which may be made or threatened to be made against any of them in relation to the offering of the Placement Shares and the listing and quotation on the Official List of Catalist of all the issued Shares, including the Placement Shares and Award Shares (whether or not such claim, action or demand is successful, compromised or settled) for whatever reasons, including but not limited to:

(a) any failure by our Company to comply with any terms of the Agreements and/or any requirements of any statute or statutory regulation, governmental or ministerial order or decree, or decision or circular of SGX-ST (including the Rules of Catalist) or any other authority (including without limitation to the foregoing, any directive or order by the Authority or SGX-ST pursuant to the SFA and the Rules of Catalist);

(b) the preliminary offer document or, as the case may be, the Offer Document not containing all information required pursuant to Section 243 of the SFA or material in the context of the offering of the Placement Shares, or any statement contained therein or in any information which is otherwise supplied by our Company to UOB in connection with the Placement being untrue, incorrect or misleading;

(c) any material misrepresentation or in connection with any material inaccuracies in, or material omission contained in the preliminary offer document or, as the case may be, the Offer Document;

(d) any material breach of our Company of any of the representations, warranties and undertakings contained in the Agreements or any of our obligations contained in the Agreements;

(e) any failure or delay by our Company in performing our obligations and undertakings in the Agreements; and

(f) any exercise by the Indemnified Parties of any of the rights and authorities granted to them under the terms of the Agreements,

including in any such case (but without prejudice to the generality of the foregoing) all costs, charges and expenses which the Indemnified Parties may properly or reasonably incur or bear in disputing any such claim, action or proceedings made against them or in establishing any claim on their part under the foregoing provisions, in each case except in relation to any claim arising out of the wilful default, fraud or gross negligence of UOB. For the avoidance of doubt, notwithstanding the provisions of the Agreements, the Sponsor and Issue Manager and Placement Agent is required to comply with its obligations under the applicable laws.

Each of the Management Agreement and the Placement Agreement are conditional upon, among others, each of the Placement Agreement and the Management Agreement respectively not being determined or rescinded pursuant to the provisions of the respective Agreements.

In the event that the Management Agreement or the Placement Agreement is terminated, our Company reserves the right to cancel the Placement.

Other than the Management Agreement and the Placement Agreement, and save as disclosed in this Offer Document, we do not have any material relationship with the Sponsor and Issue Manager and Placement Agent.

No Existing Trading Market

Prior to the Placement, there had been no trading market for our Shares. The Issue Price was determined after a book-building process and agreed between our Company and the Sponsor and Issue Manager and Placement Agent. Among the factors considered in determining the Issue Price were the prevailing market conditions, current market valuations of publicly traded companies that our Company and the Sponsor and Issue Manager and Placement Agent believe to provide a reasonable basis of comparison with our Company, and assessment of our Company's recent historical performance, estimates of our Company's business and earnings prospects, the current state of our Company's development and the current state of the industry in which our Company operates as well as the economy as a whole.

INTERESTS OF THE SPONSOR AND ISSUE MANAGER AND PLACEMENT AGENT

In the reasonable opinion of our Directors, our Company does not have any material relationship with the Sponsor and Issue Manager and Placement Agent except as described below:

(a) UOB is the Sponsor and Issue Manager and Placement Agent for the Placement;

(b) UOB will be the continuing sponsor of our Company for a period of three years from the date our Company is admitted to and listed on Catalist;

(c) UOB is the Receiving Bank for the Placement; and

(d) UOB, its subsidiaries, associated companies and/or affiliates ("UOB Group Companies") may, in the ordinary course of business, extend credit facilities to or engage in commercial banking, investment banking, private banking, securities trading, asset and fund management, research, insurance and/or advisory services for our Company and/or our Shareholders, and may receive a fee in respect thereof. In addition, in the ordinary course of its business, any member of the UOB Group Companies may at any time offer or provide services to or engage in any transactions (on its own account or otherwise) with our Company, our Shareholders or any other entity or other person, and may receive a fee in respect thereof. This may include, but is not limited to, holding long or short positions in securities issued by our Company, and trading or otherwise effecting transactions, for its own account or the accounts of its customers, in debt or equity (or related derivative instruments) of our Company.

PERSONS INTENDING TO SUBSCRIBE FOR PLACEMENT SHARES

To the best of our knowledge and belief, none of our Directors or Substantial Shareholders intends to subscribe for Placement Shares pursuant to the Placement. In the event that any Placement Shares are subscribed for by our Directors, Substantial Shareholders and/or their respective associates, such subscriptions will be disclosed in an announcement in accordance with Rule 428 of the Rules of Catalist.

To the best of our knowledge and belief, as of the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5.0% of the Placement Shares.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for more than 5.0% of the Placement Shares. If any person(s) were to make an application for 5.0% or more of the Placement Shares under the Placement and are subsequently allotted such number of Placement Shares, we will make the necessary announcement(s) at the appropriate time. The final allocation and allotment of Shares will be in accordance with the shareholding spread and distribution guidelines set out in Rule 406 of the Rules of Catalist.

No Shares shall be allotted or issued, as the case may be, on the basis of this Offer Document later than six months after the date of registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority.

DIVIDEND POLICY

Our Company has not declared and paid any dividends for FY2015, FY2016, FY2017 and for the period from 1 January 2018 to the Latest Practicable Date.

Our Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares will depend on our earnings, general business and financial condition, results of operations, capital requirements, cash flow, plans for expansion and other factors which our Directors may deem appropriate, such as our expected financial performance.

We cannot assure you that dividends will be paid in the future or as to the timing of any dividends that are to be paid in the future. Any final dividends that we may declare are subject to the approval of our Shareholders in a general meeting. No dividend or distribution shall be declared in excess of the amount recommended by our Directors. Subject to our Constitution and in accordance with the Companies Act, our Directors may also from time to time declare an interim dividend without the approval of our Shareholders. Our Company must pay all dividends out of our profits.

Information relating to taxes payable on dividends is set out in the section titled "Taxation" of this Offer Document.

All dividends are paid *pro rata* among the Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issuance of any Share provide otherwise. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

No inference shall or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed.

Conversion of Perference Shares

On 6 July 2018, all the existing Series A Preferred Shares, Series B Redeemable Convertible Preference Shares and Series B2 Redeemable Convertible Preference Shares were converted into Shares at the conversion ratio of one Share for one Preference Share.

Details of the number of Shares issued to each Preference Shareholder are set out in the table below.

S/N	Preference Shareholder	Number of Shares Issued
1.	Clearbridge BSA[(1)]	126,703
2.	Lim Chwee Teck	2,058
3.	Lee Moh Ming	2,365
4.	Dark Horse Investment Holdings Limited	17,778
5.	BV Healthcare II Pte. Ltd.[(1)]	31,915
6.	Chong Kai Chuan	4,000
7.	Lim Wan Teck Darren	2,400
8.	SEEDS Capital[(1)]	54,575
9.	The Harbour Trust Co. Ltd[(2)]	60,259
10.	Wong Yat Foo	35,247
11.	Teo Poh Kheng	13,644
12.	Trauwin Pte. Limited[(1)]	87,206
	Total	**438,150**

Notes:

(1) Clearbridge BSA is our Controlling Shareholder and each of BV Healthcare II Pte. Ltd., SEEDS Capital and Trauwin Pte. Limited is our Substantial Shareholder. Please refer to the section titled "Shareholders – Ownership Structure" of this Offer Document for further details.

(2) The Shares held by The Harbour Trust Co. Ltd (the "Harbour Trust Shares") were held by The Harbour Trust Co. Ltd as trustee for the beneficiaries of the Clearbridge Biomedics Unit Trust (the "Harbour Trust Beneficiaries"). On 19 November 2018, the Harbour Trust Shares were distributed to the Harbour Trust Beneficiaries.

The Harbour Trust Beneficiaries are Lee Moh Ming, Mr. Chen Chung Ni Johnny (the father of our Non-Executive Non-Independent Director, Mr. Johnson Chen), Ms. Yee Lin Jacqueline (the sister of our Non-Executive Non-Independent Chairman, Mr. Jeremy Yee), Tay Kuan Huat, and Racer Technology Pte Ltd.

Conversion of Convertible Loans

On 6 July 2018, pursuant to the Conversion Agreements, the following convertible loans and notes (collectively, the "Convertible Loans") were converted into Shares:

(a) the convertible loan with a minimum aggregate principal value of S$3.5 million extended to our Company pursuant to the 28 September 2015 Convertible Loan Agreement. Pursuant to the terms of the 28 September 2015 Convertible Loan Agreement, we also allotted and issued to each lender one Share for every S$57.34 of principal amount of convertible loan advanced by such lender. Interest accrued on all outstanding principal amounts of the

convertible loan at a simple rate of 12.0% per annum. The aggregate amount converted was approximately S$4.6 million and the conversion price was S$40.14 per Share;

(b) the convertible loan with a minimum aggregate principal value of approximately S$2.0 million extended to our Company pursuant to the 1 November 2016 Convertible Loan Agreement. Pursuant to the terms of the 1 November 2016 Convertible Loan Agreement, we also allotted and issued to each lender under the agreement one Share for every S$57.34 of principal amount of convertible loan advanced by such lender. Interest accrued on all outstanding principal amounts of the convertible loan at a simple rate of 12.0% per annum. The aggregate amount converted was approximately S$2.4 million and the conversion price was S$40.14 per Share;

(c) the convertible note with a minimum aggregate principal value of US$2.0 million issued by our Company pursuant to the 21 March 2017 Convertible Note Agreement. Pursuant to the terms of the 21 March 2017 Convertible Note Agreement, interest accrued on all outstanding principal amounts of the convertible note at a simple rate of 12.0% per annum. The aggregate amount converted was approximately S$3.2 million and the conversion price was S$57.34 per Share; and

(d) the convertible note with a minimum aggregate principal value of US$2.0 million issued by our Company pursuant to the 2 June 2017 Convertible Note Agreement. Pursuant to the terms of the 2 June 2017 Convertible Note Agreement, interest accrued on all outstanding principal amounts of the convertible note at a simple rate of 12.0% per annum. The aggregate amount converted was approximately S$3.1 million and the conversion price was S$57.34 per Share.

Details of the number of Shares issued to each of the holders of the Convertible Loans are set out in the table below.

S/N	Convertible Loan Holder	Number of Shares Issued
1.	Clearbridge BSA[(1)]	63,263
2.	NUS Technology Holdings Pte Ltd	590
3.	BV Healthcare II Pte. Ltd.[(1)]	31,206
4.	SEEDS Capital[(1)]	63,263
5.	Trauwin Pte. Limited[(1)]	16,453
6.	Naga Capital Partners (Cayman) Limited	6,937
7.	Kenyon Pte. Ltd.	27,750
8.	Lim Hwee Sian	20,812
9.	Mitsubishi UFJ Life Science I, Limited Partnership	53,933
	Total	**284,207**

Note:

(1) Clearbridge BSA is our Controlling Shareholder and each of BV Healthcare II Pte. Ltd., SEEDS Capital and Trauwin Pte. Limited is our Substantial Shareholder. Please refer to the section titled "Shareholders – Ownership Structure" of this Offer Document for further details.

Pursuant to the Conversion Agreements, the 28 September 2015 Convertible Loan Agreement, the 1 November 2016 Convertible Loan Agreement, the 21 March 2017 Convertible Note Agreement and the 2 June 2017 Convertible Note Agreement were terminated on 6 July 2018.

Issuance of Series C Investment Shares and Series C Warrants

On 11 July 2018, 13 July 2018 and 19 July 2018, pursuant to the Series C Investment Agreement, we issued to the Series C Investors the Series C Investment Shares and Series C Warrants for an aggregate consideration of approximately S$6.6 million.

The issue price for the Series C Investment Shares was S$57.34 per Share. In addition, 0.75 Series C Warrants were issued to each Series C Investor for each Series C Investment Share subscribed for by such Series C Investor pursuant to the Series C Investment Agreement. There was no issue price for the Series C Warrants.

Details of the number of Series C Investment Shares and Series C Warrants issued to each Series C Investor pursuant to the Series C Investment Agreement are set out in the table below.

S/N	Series C Investor	Number of Series C Investment Shares	Number of Series C Warrants[1]
1.	Lim Chwee Teck	1,097	823
2.	Chong Kai Chuan	432	324
3.	Lim Wan Teck Darren	259	195
4.	Kenyon Pte. Ltd.	2,964	2,223
5.	Johnson Chen[2]	1,471	1,104
6.	Roelofs Nicolas Henry	121	91
7.	Lee Yi Fang	27	21
8.	Chen Joyce[2]	86	65
9.	Liew Chun Vui	61	46
10.	Mok Tony Shu Kam	121	91
11.	Dave Baldev Hoon	121	91
12.	Leong Man Chun	68	51
13.	Xie Tian	5,232	3,924
14.	Wei Hangying	5,232	3,924
15.	Leong Sung Yi	1,220	915
16.	Ramesh S/O Pritamdas Chandiramani	1,744	1,308
17.	Tan Hwee Kiang Roland	5,232	3,924
18.	Fund Singapore Medtech Pte. Ltd. (now known as Fund Singapore Medtech Ltd.)	17,440	13,080
19.	Wong Yee Chin	3,487	2,616
20.	Lawrence Pang You Zhi	5,231	3,924

S/N	Series C Investor	Number of Series C Investment Shares	Number of Series C Warrants[1]
21.	Chong Siew Hong	8,719	6,540
22.	Inbridge Ventures Pte. Ltd.[3]	54,746	41,060
	Total	**115,111**	**86,340**

Notes:

(1) Each Series C Warrant entitles the holder thereof to subscribe for one Share at the exercise price of S$1.00 for each Share, subject to the terms and conditions of the Series C Warrants.

(2) Mr. Johnson Chen is our Non-Executive Non-Independent Director. Ms. Chen Joyce is the sister of Mr. Johnson Chen.

(3) The Series C Investment Shares and Series C Warrants were held on a bare trust by Inbridge Ventures Pte. Ltd. for certain beneficiaries (the "Inbridge Beneficiaries"). On 26 September 2018, our Company allotted and issued 41,060 Shares to Inbridge Ventures Pte. Ltd. (together with the Series C Investment Shares held by Inbridge Ventures Pte. Ltd., the "Inbridge Shares") in connection with its exercise of its Series C Warrants. On 15 November 2018, the Inbridge Shares were distributed to the Inbridge Beneficiaries.

The Inbridge Beneficiaries are Mak Mun Keat, Peck Shu Fang, Lim Sau Siong, Pang Yee Poh, Gan Pay Yap, Wee Tian Sing, Sim Chin Chye, Mr. James Ong (our Independent Director), Daniel Chea Hsu Min, Toh Tiam Hock, Toh Chin Teck, Toh Chin Kaw, Low Chiew Eng, Lim Seng Thiam, Ong Kim On, Ong Khim Hwa, Lim Teck Choon, Tan Peng Koon, Kuik Ah Han, Kuik Thiam Huat, Chang Ling Seow, Lim Boon Wan, Lai Chien Chou, Song Tang Yih, Liu Shen Hong, Fexlicia Lee Pei Yue, Edwin Lai Nai Poh, Ng Zi Kai, Wang Qingyin, Chu Tze-Kwang Adrian, Ng Chong Kheng Matthew, Cheong Yew Weng, Chee Kwang How, Seow Boon Teng, Loo Han Ping Victor, and Chong Vicki.

Exercise of Series C Warrants

On 24 July 2018, 7 August 2018, 13 August 2018 and 26 September 2018, our Company allotted and issued an aggregate of 86,340 Shares to the Series C Investors in connection with their exercise of all the Series C Warrants.

Exercise of Options Granted under our ESOS

On 25 May 2011, we adopted the ESOS to grant options to purchase Shares to our employees, directors, advisers and consultants.

On 26 September 2018, our Company allotted and issued an aggregate of 48,601 Shares to participants in our ESOS in connection with their exercise of options granted to them under our ESOS and our ESOS was terminated on the same day. As of 26 September 2018, there were no options granted under our ESOS that remained unexercised.

Details of the number of Shares granted to such participants and the exercise price are set out in the table below. There was no purchase price for the options granted under our ESOS.

S/N	ESOS Participant	Number of Shares Allotted and Issued	Exercise Price per Share (S$)	Aggregate Exercise Price (S$)
1.	Johnson Chen[1]	13,642	0.03 – 6.92	46,313.30
2.	Roelofs Nicolas Henry	1,125	4.51	5,073.75
3.	Ali Asgar Saleem Bhagat	5,562	1.36 – 6.92	19,983.86
4.	Huang Junquan[1]	1,853	1.36 – 6.92	8,196.65

S/N	ESOS Participant	Number of Shares Allotted and Issued	Exercise Price per Share (S$)	Aggregate Exercise Price (S$)
5.	Koh Yau Luong	452	4.51 – 6.92	2,448.22
6.	Tan Meihui	100	6.92	692.00
7.	Chao Shuzhe	240	6.92	1,660.80
8.	Garima Singh	100	6.92	692.00
9.	Lim Wei Ming Lionel	140	6.92	968.80
10.	Lee Yi Fang	253	6.92	1,750.76
11.	Joshua Hong Kah Mun	91	6.92	629.72
12.	Lim Chwee Teck	6,956	0.03 – 4.51	10,288.68
13.	Chong Chee Wah	4,706	0.03	141.18
14.	Chen Joyce[(1)]	798	0.03 – 4.51	2,546.18
15.	Wu En-Tzu, Andrew	6,853	1.36 – 4.51	23,495.08
16.	Choo Haiping	563	4.51	2,539.13
17.	Liew Chun Vui	563	4.51	2,539.13
18.	Tan Swee Jin	1,412	4.51	6,368.12
19.	Mok Tony Shu Kam	1,125	4.51	5,073.75
20.	Dave Baldev Hoon	1,125	4.51	5,073.75
21.	Leong Man Chun	629	6.92	4,352.68
22.	Ng Li Huang	235	4.51	1,059.85
23.	Chan Siew Yen, Wendy	78	4.51	351.78
	Total	**48,601**		**152,239.17**

Note:

(1) Mr. Johnson Chen and Mr. Huang Junquan are our Non-Executive Non-Independent Director and COO, respectively. Ms. Chen Joyce is the sister of Mr. Johnson Chen.

Save as disclosed above and save for their respective interests in our Shares as set out above, none of the Preference Shareholders, holders of the Convertible Loans, Series C Investors and participants in our ESOS named above are related to our Company, our Directors, our Executive Officers, our Substantial Shareholders or any of their respective associates.

Our Company was incorporated in Singapore on 19 July 2009 under the Companies Act as a private company limited by shares, under the name Clearbridge Biomedics Pte. Ltd.. On 1 November 2018, our Company was converted into a public company limited by shares and the name of our Company was changed to Biolidics Limited in connection therewith.

As of our date of incorporation, our issued and paid-up share capital was S$10,000.00, comprising 10,000 Shares.

Pursuant to written resolutions dated 20 November 2018, our Shareholders approved, among others, the following:

(a) the adoption of a new Constitution;

(b) the allotment and issuance of the Placement Shares, on the basis that the Placement Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with our Shares that are already issued and fully paid-up;

(c) the adoption of the Biolidics Performance Share Plan and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue Shares upon the vesting of Awards under the Biolidics Performance Share Plan;

(d) the approval of the listing and quotation of all our Shares that are already issued, the Placement Shares and the Award Shares on Catalist; and

(e) the authorisation to our Directors, pursuant to Section 161 of the Companies Act, to:

    (i) (A) issue Shares whether by way of rights, bonus or otherwise; and/or

        (B) make or grant offers, agreements or options (each an "Instrument" and collectively, "Instruments") that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issuance of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares; and/or

        (C) notwithstanding that such authority may have ceased to be in force at the time that Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issuances,

    at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and

    (ii) issue Shares in pursuance of any Instrument made or granted by our Directors pursuant to (i)(B) and/or (i)(C) above, while such authority was in force (notwithstanding that such issuance of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution), provided that:

        (A) the aggregate number of Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to this authority but excluding Shares which may be issued pursuant to any adjustments ("Adjustments") effected under any relevant Instrument, which Adjustment shall be made in compliance with the provisions of the Rules of

Catalist for the time being in force (unless such compliance has been waived by SGX-ST) and our Constitution), does not exceed 100.0% of the post-Placement issued share capital, and provided further that the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority, but excluding Shares which may be issued pursuant to any Adjustments effected under any relevant Instrument) shall not exceed 50.0% of the post-Placement issued share capital;

(B) in exercising such authority, our Company shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by SGX-ST) and our Constitution; and

(C) unless revoked or varied by our Company in general meeting by ordinary resolution, the authority so conferred shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is earlier.

For the purpose of this resolution and pursuant to Rules 806(3) and 806(4) of the Rules of Catalist, the "post-Placement issued share capital" shall mean the total number of Shares (excluding treasury Shares and subsidiary holdings) immediately after the completion of the Placement, after adjusting for (a) new Shares arising from the conversion or exercise of convertible securities; (b) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time such authority is given, provided that the options or share awards were granted in compliance with the Rules of Catalist; and (c) any subsequent bonus issue, consolidation or sub-division of Shares.

Pursuant to a written resolution dated 3 December 2018, our Shareholders approved the Share Split.

As of the Latest Practicable Date, there was only one class of shares in the capital of our Company. The rights and privileges attached to our Shares are stated in our Constitution. Please refer to "Summary of Selected Provisions of Our Constitution", as set out in Appendix D to this Offer Document, for further details. There is no restriction on the transfer of fully-paid Shares, except where required by law, the Rules of Catalist or the bye-laws of SGX-ST.

As of the Latest Practicable Date, the issued and paid-up share capital of our Company was approximately S$36.9 million, comprising 1,268,678 Shares.

Our Company's share capital immediately before the completion of the Placement will be approximately S$36.9 million, comprising 215,000,000 Shares. Upon the allotment and issuance of the Placement Shares, the resultant issued and paid-up share capital of our Company will be increased to approximately S$44.1 million, comprising 242,500,000 Shares.

CHANGES IN ISSUED SHARE CAPITAL

Details of the changes in the issued and paid-up share capital of our Company since 1 January 2017 and the resultant issued and paid-up share capital of our Company immediately after the completion of the Placement are as follows:

	Number of Shares	Resultant Issued and Paid-up Share Capital (S$)
Issued and paid-up share capital as of 1 January 2017	296,269 Shares 114,729 Series A Preferred Shares 236,215 Series B Redeemable Convertible Preference Shares 87,206 Series B2 Redeemable Convertible Preference Shares	16,725,244.27
Issued and paid-up share capital as of 31 December 2017	296,269 Shares 114,729 Series A Preferred Shares 236,215 Series B Redeemable Convertible Preference Shares 87,206 Series B2 Redeemable Convertible Preference Shares	16,725,244.27
Issued and paid-up share capital immediately after the Pre-IPO and Recapitalisation Exercise[(1)]	1,268,678 Shares	36,854,587.56
Issued and paid-up share capital immediately after the Share Split	215,000,000 Shares	36,854,587.56
Issued and paid-up share capital immediately after the completion of the Placement	242,500,000 Shares	44,097,587.56[(2)]

Notes:

(1) On 6 July 2018, all the existing Series A Preferred Shares, Series B Redeemable Convertible Preference Shares and Series B2 Redeemable Convertible Preference Shares were converted into Shares pursuant to the Pre-IPO and Recapitalisation Exercise. Please refer to the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document for further details.

(2) This takes into account the capitalisation of estimated Listing expenses of approximately S$0.5 million.

The issued share capital and the Shareholders' equity of our Company (a) as of incorporation and 31 December 2017; (b) after the completion of the Pre-IPO and Recapitalisation Exercise and the Share Split; and (c) after adjustments to reflect the issuance of the Placement Shares pursuant to the Placement are set out below. This should be read in conjunction with the "Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Financial Years Ended December 31, 2015, December 31, 2016 and December 31, 2017", the "Interim Condensed Unaudited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Six Months Ended June 30, 2018" and the "Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendices A, B and C to this Offer Document, respectively:

	As of Incorporation	As of 31 December 2017	After the Completion of the Pre-IPO and Recapitalisation Exercise[1] and the Share Split	After the Completion of the Placement
Issued and fully paid-up shares (number of shares)	10,000 Shares	296,269 Shares 114,729 Series A Preferred Shares 236,215 Series B Redeemable Convertible Preference Shares 87,206 Series B2 Redeemable Convertible Preference Shares	215,000,000 Shares	242,500,000 Shares
Issued and fully paid-up share capital (S$)	10,000.00	16,725,244.27	36,854,587.56	44,097,587.56[2]
Total shareholders' equity (S$)	10,000.00	(23,846,534.12)[3]	8,753,317.13[4]	14,853,317.13[5]

Notes:

(1) On 6 July 2018, all the existing Series A Preferred Shares, Series B Redeemable Convertible Preference Shares and Series B2 Redeemable Convertible Preference Shares were converted into Shares pursuant to the Pre-IPO and Recapitalisation Exercise. Please refer to the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document for further details.

(2) Adjusted for the net proceeds from the Placement, taking into account the capitalisation of estimated Listing expenses of approximately S$0.5 million.

(3) Shareholders' equity based on the audited consolidated statements of financial position of our Company as of 31 December 2017.

(4) Shareholders' equity based on the unaudited pro forma consolidated statements of financial position of our Company as of 30 June 2018.

(5) Shareholders' equity based on the unaudited pro forma consolidated statements of financial position of our Company as of 30 June 2018, and adjusted for the net proceeds from the Placement.

Details of the changes in the issued and paid-up share capital of our Company within the three years preceding the Latest Practicable Date are as follows:

Date	Number of Shares Issued	Consideration	Purpose of Issue	Resultant Issued Shares
16 November 2016	35,229 Shares	S$1.01	Pursuant to the terms of the 1 November 2016 Convertible Loan Agreement, our Company allotted and issued to each lender one Share for every S$57.34 of principal amount of convertible loan advanced by such lender	296,269 Shares 114,729 Series A Preferred Shares 236,215 Series B Redeemable Convertible Preference Shares 87,206 Series B2 Redeemable Convertible Preference Shares
6 July 2018	438,150 Shares	S$16,525,243.25[(1)]	The conversion of all the existing Preference Shares into Shares, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	734,419 Shares
6 July 2018	284,207 Shares	S$13,290,299.38[(2)]	The conversion of the Convertible Loans into Shares, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	1,018,626 Shares
11 July 2018	51,646 Shares	S$2,961,381.64	The issuance of Series C Investment Shares to Series C Investors pursuant to the Series C Investment Agreement, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	1,070,272 Shares
13 July 2018	8,719 Shares	S$499,947.46	The issuance of Series C Investment Shares to Series C Investors pursuant to the Series C Investment Agreement, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	1,078,991 Shares

Date	Number of Shares Issued	Consideration	Purpose of Issue	Resultant Issued Shares
19 July 2018	54,746 Shares	S$3,139,135.64	The issuance of Series C Investment Shares to Series C Investors pursuant to the Series C Investment Agreement, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	1,133,737 Shares
24 July 2018	13,080 Shares	S$13,080.00	The issuance of Shares pursuant to the exercise of Series C Warrants, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	1,146,817 Shares
7 August 2018	7,848 Shares	S$7,848.00	The issuance of Shares pursuant to the exercise of Series C Warrants, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	1,154,665 Shares
13 August 2018	91 Shares	S$91.00	The issuance of Shares pursuant to the exercise of Series C Warrants, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	1,154,756 Shares
26 September 2018	48,601 Shares	S$152,239.17	The issuance of Shares pursuant to the exercise of options granted under our ESOS, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	1,203,357 Shares
26 September 2018	65,321 Shares	S$65,321.00	The issuance of Shares pursuant to the exercise of Series C Warrants, details of which are set out in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document	1,268,678 Shares

Notes:

(1) Being the aggregate amount paid by the holders of the then-existing Preference Shares for such Preference Shares.

(2) Being the aggregate amount converted under the Convertible Loans. Please refer to the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document for further details.

OWNERSHIP STRUCTURE

The shareholdings of our Directors and Substantial Shareholders as of the Latest Practicable Date, immediately before the Placement and immediately after the completion of the Placement are set out below[1]:

	As of the Latest Practicable Date				Immediately before the Placement (after the Share Split)				Immediately after the Placement			
	Direct Interest		Indirect Interest[2]		Direct Interest		Indirect Interest[2]		Direct Interest		Indirect Interest[2]	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors												
Mr. Jeremy Yee	–	–	–	–	–	–	–	–	–	–	–	–
Mr. Ivan Lew	–	–	–	–	–	–	–	–	–	–	–	–
Mr. Johnson Chen	16,217	1.28	–	–	2,748,300	1.28	–	–	2,748,300	1.13	–	–
Mr. Leong Yow Seng	–	–	–	–	–	–	–	–	–	–	–	–
Mr. James Ong	308	0.02	–	–	52,200	0.02	–	–	52,200	0.02	–	–
Mr. Peter Koh	–	–	–	–	–	–	–	–	–	–	–	–
Ms. Toh Shih Hua	–	–	–	–	–	–	–	–	–	–	–	–
Substantial Shareholders												
Clearbridge BSA[3]	354,846	27.97	152,718	12.04	60,135,400	27.97	25,880,800	12.04	60,135,400	24.80	25,880,800	10.67
Clearbridge Health[4]	–	–	507,564	40.01	–	–	86,016,200	40.01	–	–	86,016,200	35.47
SEEDS Capital	152,718	12.04	–	–	25,880,800	12.04	–	–	25,880,800	10.67	–	–
SPRING Equity Investments Pte. Ltd.[5]	–	–	152,718	12.04	–	–	25,880,800	12.04	–	–	25,880,800	10.67
Enterprise Singapore[5]	–	–	152,718	12.04	–	–	25,880,800	12.04	–	–	25,880,800	10.67
Trauwin Pte. Limited	112,379	8.86	–	–	19,044,600	8.86	–	–	19,044,600	7.85	–	–
Qian Fuqing[6]	–	–	112,379	8.86	–	–	19,044,600	8.86	–	–	19,044,600	7.85
Qian Xiaojin[6]	–	–	112,379	8.86	–	–	19,044,600	8.86	–	–	19,044,600	7.85
BV Healthcare II Pte. Ltd.[7]	80,561	6.35	–	–	13,652,500	6.35	–	–	13,652,500	5.63	–	–

	As of the Latest Practicable Date				Immediately before the Placement (after the Share Split)				Immediately after the Placement			
	Direct Interest		Indirect Interest[2]		Direct Interest		Indirect Interest[2]		Direct Interest		Indirect Interest[2]	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
NRF Holdings Pte. Ltd.[8]	–	–	80,561	6.35	–	–	13,652,500	6.35	–	–	13,652,500	5.63
Sagamore Healthcare I, L.P.[9]	–	–	80,561	6.35	–	–	13,652,500	6.35	–	–	13,652,500	5.63
Sagamore Investment Management LLC[9]	–	–	80,561	6.35	–	–	13,652,500	6.35	–	–	13,652,500	5.63
Other existing Shareholders												
Non-public[10]	40,117	3.16	–	–	6,798,500	3.16	–	–	6,798,500	2.80	–	–
Public[11]	511,532	40.32	–	–	86,687,700	40.32	–	–	86,687,700	35.75	–	–
Placement Shareholders	–	–	–	–	–	–	–	–	27,500,000	11.34	–	–
Total	**1,268,678**	**100.00**	**–**	**–**	**215,000,000**	**100.00**	**–**	**–**	**242,500,000**	**100.00**	**–**	**–**

Notes:

(1) The table assumes that none of our Directors, Substantial Shareholders and/or their respective associates will subscribe for any of the Placement Shares. In the event that any Placement Shares are subscribed for by our Directors, Substantial Shareholders and/or their respective associates, such subscriptions will be disclosed in an announcement in accordance with Rule 428 of the Rules of Catalist.

(2) "Indirect interest" refers to the interest held by persons who are treated as having an interest in Shares pursuant to Section 4 of the SFA.

(3) Pursuant to a call option granted to Clearbridge BSA by SEEDS Capital, Clearbridge BSA has the right to acquire all of the Shares held by SEEDS Capital. The call option was exercisable from 31 January 2014 and will expire on 31 January 2020. For the purposes of Section 4 of the SFA, Clearbridge BSA is treated as having an interest in the Shares held by SEEDS Capital.

(4) As of the Latest Practicable Date, Clearbridge BSA is wholly owned by Clearbridge Health, which is a company listed on Catalist. For the purposes of Section 4 of the SFA, Clearbridge Health is treated as having an interest in the Shares held by Clearbridge BSA.

(5) As of the Latest Practicable Date, SEEDS Capital is wholly owned by SPRING Equity Investments Pte. Ltd., which is in turn wholly owned by Enterprise Singapore, a statutory board under the Ministry of Trade and Industry Singapore. For the purposes of Section 4 of the SFA, each of SPRING Equity Investments Pte. Ltd. and Enterprise Singapore is treated as having an interest in the Shares held by SEEDS Capital.

(6) As of the Latest Practicable Date, Qian Fuqing and Qian Xiaojin hold 50.0% and 30.0%, respectively, of the issued and paid-up share capital of Trauwin Pte. Limited. For the purposes of Section 4 of the SFA, each of Qian Fuqing and Qian Xiaojin is treated as having an interest in the Shares held by Trauwin Pte. Limited. Save for their respective interests in our Shares as set out above, none of Qian Fuqing and Qian Xiaojin are related to our Company, our Directors, our Executive Officers, our other Substantial Shareholders or any of their respective associates.

(7) As of the Latest Practicable Date, Bioveda Capital Singapore Pte. Ltd. is the investment manager of BV Healthcare II Pte. Ltd.. The investment committee of BV Healthcare II Pte. Ltd. (the "BV Investment Committee") reviews and approves investment and divestment proposals submitted by Bioveda Capital Singapore Pte. Ltd., and has the sole voting and dispositive power with respect to the Shares held by BV Healthcare II Pte. Ltd.. The BV Investment Committee comprises four members who each have equal voting rights and a majority vote is required to approve any investment or divestment proposal. Save for its interests in our Shares as set out above, BV Healthcare II Pte. Ltd. is not related to our Company, our Directors, our Executive Officers, our Substantial Shareholders or any of their respective associates.

(8) As of the Latest Practicable Date, NRF Holdings Pte. Ltd. holds 47.6% of the issued and paid-up share capital of BV Healthcare II Pte. Ltd.. NRF Holdings Pte. Ltd. is, in turn, wholly owned by the Minister for Finance (Incorporated), Singapore. For the purposes of Section 4 of the SFA, NRF Holdings Pte. Ltd. is treated as having an interest in the Shares held by BV Healthcare II Pte. Ltd..

(9) As of the Latest Practicable Date, Sagamore Healthcare I, L.P. holds 33.3% of the issued and paid-up share capital of BV Healthcare II Pte. Ltd.. Sagamore Investment Management LLC is the general partner of Sagamore Healthcare I, L.P.. For the purposes of Section 4 of the SFA, each of Sagamore Healthcare I, L.P. and Sagamore Investment Management LLC is treated as having an interest in the Shares held by BV Healthcare II Pte. Ltd.. Mr. Peter Brooks and Mr. Yi-Chung Yang are the members of Sagamore Investment Management LLC. Investment, voting and dispositive decisions with respect to the shares held by Sagamore Healthcare I, L.P. are jointly made by the members of Sagamore Investment Management LLC. None of the members of Sagamore Investment Management LLC may, on his own, carry a vote of Sagamore Investment Management LLC. Save for their respective interests in our Shares as set out above, none of Sagamore Healthcare I, L.P. and Sagamore Investment Management LLC are related to our Company, our Directors, our Executive Officers, our Substantial Shareholders or any of their respective associates.

(10) Comprises existing Shareholders who are associates of our Directors and accordingly, are not deemed to be "public" Shareholders as defined in the Rules of Catalist. None of such Shareholders individually has an interest, direct or indirect, in 5.0% or more of the post-Placement share capital of our Company.

(11) Comprises existing Shareholders who are deemed to be "public" Shareholders as defined in the Rules of Catalist ("Existing Public Shareholders"), holding in aggregate 86,687,700 Shares (representing 35.8% of our post-Placement share capital), of which 32,041,495 Shares (representing 13.2% of our post-Placement share capital), are not subject to any moratorium ("Unmoratorised Shares"). An aggregate of such Unmoratorised Shares representing up to 5.0% of our post-Placement share capital may be included in the computation of the percentage of Shares held in public hands in accordance with Rule 406(1)(b) of the Rules of Catalist. None of the Existing Public Shareholders individually has an interest, direct or indirect, in 5.0% or more of the post-Placement share capital of our Company.

Except as disclosed above, to the best of our knowledge, we are not directly or indirectly owned or controlled, whether severally or jointly, by any other corporation, any government or other natural or legal person.

We are not aware of any arrangement the operation of which may, at a subsequent date, result in a change in control of our Company.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Placement Shares.

There are no Shares in our Company that are held by or on behalf of our Company.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed in the sections titled "Share Capital", "Pre-IPO and Recapitalisation Exercise" and "Dilution" of this Offer Document, there were no significant changes in the percentage of ownership of our Shares within the last three years prior to the Latest Practicable Date.

MORATORIUM

Our Company

We have agreed with the Sponsor and Issue Manager and Placement Agent that, save to the extent contemplated in this Offer Document or by the Placement and the Biolidics Performance Share Plan, we will not (without the prior written consent of the Sponsor and Issue Manager and Placement Agent, such consent not to be unreasonably withheld) at any time on or before the expiry of 180 days after the time and date of the closing of the Application List:

(a) increase our issued share capital or otherwise vary our capital structure;

(b) issue any marketable securities (whether in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities) or shares or options therefor, declare or distribute any dividend or vary, alter, subdivide or otherwise do anything to our capital structure (issued or otherwise);

(c) enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) or (b) above; or

(d) announce any intention to enter into or effect into or effect any such transaction described in (a), (b) or (c) above or any transaction which is reasonably likely to result in and involve any such transaction described in (a), (b) or (c) above.

Series C Investors

Each of the Series C Investors (excluding Inbridge Ventures Pte. Ltd.) has given an undertaking to the Sponsor and Issue Manager and Placement Agent in respect of a portion of the Series C Investment Shares and Shares acquired pursuant to the exercise of Series C Warrants that such Series C Investor legally and/or beneficially owns, directly and/or indirectly, as of the date of the undertaking and as of the Listing Date (calculated based on the formula set out below and adjusted for any bonus issue or sub-division).

$$M = \frac{V_{IPO} - V_{CP}}{V_{IPO}} \times P$$

Where:

M = the number of Shares subject to moratorium, rounded up to the nearest whole number (the Series C Investor's "Profit Portion");

V_{IPO} = the value of the Series C Investor's Series C Investment Shares and Shares acquired pursuant to the exercise of Series C Warrants based on the Issue Price;

V_{CP} = the sum of: (a) the total cash paid by the Series C Investor as consideration for his/its subscription of Series C Investment Shares; and (b) the total cash paid by the Series C Investor for the exercise of his/its Series C Warrants; and

P = the total number of Series C Investment Shares paid for by the Series C Investor and Shares acquired by the Series C Investor pursuant to the exercise of his/its Series C Warrants.

The Profit Portion of each of the Series C Investors is as follows:

Series C Investor	**Profit Portion (Number of Shares, post-Share Split)**
Lim Chwee Teck	97,811
Chong Kai Chuan	38,476
Lim Wan Teck Darren	23,165
Kenyon Pte. Ltd.	264,076
Johnson Chen	131,218
Roelofs Nicolas Henry	10,796
Lee Yi Fang	2,496
Chen Joyce	7,757
Liew Chun Vui	5,444
Mok Tony Shu Kam	10,796
Dave Baldev Hoon	10,796
Leong Man Chun	6,093
Xie Tian	466,147
Wei Hangying	466,147
Lawrence Pang You Zhi	466,252
Ramesh S/O Pritamdas Chandiramani	155,383
Tan Hwee Kiang Roland	466,147
Fund Singapore Medtech Pte. Ltd. (now known as Fund Singapore Medtech Ltd.)	1,554,023
Inbridge Ventures Pte. Ltd.[(1)]	4,877,880[(1)]
Chong Siew Hong	777,017
Wong Yee Chin	310,870
Leong Sung Yi	108,694

Note:

(1) The Series C Investment Shares and Shares acquired pursuant to the exercise of Series C Warrants held by Inbridge Ventures Pte. Ltd. (the "Inbridge Shares") were held on a bare trust by Inbridge Ventures Pte. Ltd. for certain beneficiaries (the "Inbridge Beneficiaries"). On 15 November 2018, the Inbridge Shares were distributed to the Inbridge Beneficiaries.

The Inbridge Beneficiaries are Mak Mun Keat, Peck Shu Fang, Lim Sau Siong, Pang Yee Poh, Gan Pay Yap, Wee Tian Sing, Sim Chin Chye, Mr. James Ong (our Independent Director), Daniel Chea Hsu Min, Toh Tiam Hock, Toh Chin Teck, Toh Chin Kaw, Low Chiew Eng, Lim Seng Thiam, Ong Kim On, Ong Khim Hwa, Lim Teck Choon, Tan Peng Koon, Kuik Ah Han, Kuik Thiam Huat, Chang Ling Seow, Lim Boon Wan, Lai Chien Chou, Song Tang Yih, Liu Shen Hong, Fexlicia Lee Pei Yue, Edwin Lai Nai Poh, Ng Zi Kai, Wang Qingyin, Chu Tze-Kwang Adrian, Ng Chong Kheng Matthew, Cheong Yew Weng, Chee Kwang How, Seow Boon Teng, Loo Han Ping Victor, and Chong Vicki.

Each of the Inbridge Beneficiaries has given an undertaking to the Sponsor and Issue Manager and Placement Agent in respect of a number of Shares equivalent to the proportion of Inbridge Ventures Pte. Ltd.'s Profit Portion which he received (such number of Shares, the Inbridge Beneficiary's "Profit Portion").

Pursuant to their respective undertakings, each of the Series C Investors (excluding Inbridge Ventures Pte. Ltd.) and the Inbridge Beneficiaries has agreed not to, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant any security over, encumber or otherwise transfer or dispose of, directly or indirectly, any of his/its Profit Portion or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his/its Profit Portion;

(b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of his/its Profit Portion or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his/its Profit Portion;

(c) deposit any of his/its Profit Portion or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of his/its Profit Portion in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of his/its Profit Portion or such other securities, in cash or otherwise;

(d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or

(e) announce or publicly disclose any intention to do any of the above.

The foregoing restrictions in the undertakings provided by each of the Series C Investors (excluding Inbridge Ventures Pte. Ltd.) and the Inbridge Beneficiaries shall apply for the period commencing from the date of the undertaking until the date falling 12 months from the Listing Date (both dates inclusive).

Lee Moh Ming, Teo Poh Kheng, Wong Yat Foo and the Harbour Trust Beneficiaries (as defined below)

On 6 July 2018, the following investors (the "Share Purchasers") acquired the following shares in the capital of our Company:

(a) Lee Moh Ming acquired 2,365 Series A Preferred Shares;

(b) Teo Poh Kheng acquired 13,644 Series B Redeemable Convertible Preference Shares;

(c) The Harbour Trust Co. Ltd acquired 60,259 Series B Redeemable Convertible Preference Shares; and

(d) Wong Yat Foo acquired 35,247 Series B Redeemable Convertible Preference Shares.

On 6 July 2018, the Series A Preferred Shares and Series B Redeemable Convertible Preference Shares held by the Share Purchasers were converted into Shares at the conversion ratio of one Share for one Preference Share.

Each of the Share Purchasers (excluding The Harbour Trust Co. Ltd) has given an undertaking to the Sponsor and Issue Manager and Placement Agent in respect of a portion of the Shares that such Share Purchaser legally and/or beneficially owns, directly and/or indirectly, as of the date of the undertaking and as of the Listing Date (calculated based on the formula set out below and adjusted for any bonus issue or sub-division).

$$M = \frac{V_{IPO} - V_{CP}}{V_{IPO}} \times P$$

Where:

M = the number of Shares subject to moratorium, rounded up to the nearest whole number (the Share Purchaser's "Profit Portion");

V_{IPO} = the value of the Share Purchaser's total shareholdings in our Company acquired within the 12 months preceding the Listing Date based on the Issue Price;

V_{CP} = the total cash paid by the Share Purchaser for the Series A Preferred Shares or Series B Redeemable Convertible Preference Shares, as the case may be; and

P = the total number of Shares acquired by the Share Purchaser pursuant to the conversion of the Series A Preferred Shares or Series B Redeemable Convertible Preference Shares, as the case may be.

The Profit Portion of each of the Share Purchasers is as follows:

Share Purchaser	Profit Portion (Number of Shares, post-Share Split)
Lee Moh Ming	176,548
Teo Poh Kheng	694,899
The Harbour Trust Co. Ltd[(1)]	3,069,058[(1)]
Wong Yat Foo	1,795,172

Note:

(1) The Shares held by The Harbour Trust Co. Ltd (the "Harbour Trust Shares") were held by The Harbour Trust Co. Ltd as trustee for the beneficiaries of the Clearbridge Biomedics Unit Trust (the "Harbour Trust Beneficiaries" and each, a "Harbour Trust Beneficiary"). On 19 November 2018, the Harbour Trust Shares were distributed to the Harbour Trust Beneficiaries.

The Harbour Trust Beneficiaries are Lee Moh Ming, Mr. Chen Chung Ni Johnny (the father of our Non-Executive Non-Independent Director, Mr. Johnson Chen), Ms. Yee Lin Jacqueline (the sister of our Non-Executive Non-Independent Chairman, Mr. Jeremy Yee), Tay Kuan Huat, and Racer Technology Pte Ltd.

Each of the Harbour Trust Beneficiaries has given an undertaking to the Sponsor and Issue Manager and Placement Agent in respect of a number of Shares equivalent to the proportion of The Harbour Trust Co. Ltd's Profit Portion which he/it received (such number of Shares, the Harbour Trust Beneficiary's "Profit Portion").

Pursuant to their respective undertakings, each of the Share Purchasers (excluding The Harbour Trust Co. Ltd) and the Harbour Trust Beneficiaries has agreed not to, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant any security over, encumber or otherwise transfer or dispose of, directly or indirectly, any of his Profit Portion or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his Profit Portion;

(b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of his Profit Portion or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his Profit Portion;

(c) deposit any of his Profit Portion or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of his Profit Portion in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of his Profit Portion or such other securities, in cash or otherwise;

(d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or

(e) announce or publicly disclose any intention to do any of the above.

The foregoing restrictions in the undertakings provided by each of the Share Purchasers (excluding The Harbour Trust Co. Ltd) and the Harbour Trust Beneficiaries shall apply for the period commencing from the date of the undertaking until the date falling 12 months from the Listing Date (both dates inclusive).

Participants in Our ESOS

Each of the participants in our ESOS who had received and exercised options under our ESOS (collectively, the "ESOS Participants" and each, an "ESOS Participant") has given an undertaking to the Sponsor and Issue Manager and Placement Agent in respect of all the Shares which such ESOS Participant had acquired pursuant to the exercise of options granted under our ESOS (adjusted for any bonus issue or sub-division) (such Shares referred to below as the ESOS Participant's "ESOS Shares").

The number of ESOS Shares of each of the ESOS Participants is as follows:

ESOS Participant	Number of ESOS Shares (post-Share Split)
Johnson Chen	2,311,900
Roelofs Nicolas Henry	190,700
Ali Asgar Saleem Bhagat	942,600
Huang Junquan	314,000
Koh Yau Luong	76,600
Tan Meihui	16,900
Chao Shuzhe	40,700
Garima Singh	16,900
Lim Wei Ming Lionel	23,700
Lee Yi Fang	42,900
Joshua Hong Kah Mun	15,400
Lim Chwee Teck	1,178,800
Chong Chee Wah	797,500
Chen Joyce	135,200
Wu En-Tzu, Andrew	1,161,400
Choo Haiping	95,400
Liew Chun Vui	95,400
Tan Swee Jin	239,300
Mok Tony Shu Kam	190,700
Dave Baldev Hoon	190,700
Leong Man Chun	106,600
Ng Li Huang	39,800
Chan Siew Yen, Wendy	13,200

Pursuant to their respective undertakings, each of the ESOS Participants has agreed not to, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant any security over, encumber or otherwise transfer or dispose of, directly or indirectly, any of his ESOS Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his ESOS Shares;

(b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of his ESOS Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his ESOS Shares;

(c) deposit any of his ESOS Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of his ESOS Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of his ESOS Shares or such other securities, in cash or otherwise;

(d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or

(e) announce or publicly disclose any intention to do any of the above.

The foregoing restrictions in the undertakings provided by each of the ESOS Participants shall apply for the period commencing from the date of the undertaking until the date falling 18 months from the Listing Date (both dates inclusive).

Clearbridge BSA and Clearbridge Health

Clearbridge BSA will have a direct interest in 60,135,400 Shares, representing approximately 24.8% of our share capital, immediately after the completion of the Placement.

Clearbridge BSA has given an undertaking to the Sponsor and Issue Manager and Placement Agent in respect of all the Shares which it legally and/or beneficially owns, directly and/or indirectly, as of the date of the undertaking and as of the Listing Date (adjusted for any bonus issue or sub-division) (such Shares referred to below as Clearbridge BSA's "Relevant Shares").

Clearbridge Health has given an undertaking to the Sponsor and Issue Manager and Placement Agent in respect of all the shares in Clearbridge BSA which it legally and/or beneficially owns, directly and/or indirectly, as of the date of the undertaking and as of the Listing Date (adjusted for any bonus issue or sub-division) (such shares referred to below as Clearbridge Health's "Relevant Shares").

Pursuant to their respective undertakings, each of Clearbridge BSA and Clearbridge Health has agreed not to, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant any security over, encumber or otherwise transfer or dispose of, directly or indirectly, any of its Relevant Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of its Relevant Shares;

(b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of its Relevant Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of its Relevant Shares;

(c) deposit any of its Relevant Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of its Relevant Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of its Relevant Shares or such other securities, in cash or otherwise;

(d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or

(e) announce or publicly disclose any intention to do any of the above.

The foregoing restrictions in the undertakings provided by each of Clearbridge BSA and Clearbridge Health shall apply for the period commencing from the date of the undertaking until the date falling 12 months from the Listing Date (both dates inclusive).

Other Shareholders

Each of the Shareholders named below (collectively, the "Existing Shareholders" and each, an "Existing Shareholder") has given an undertaking to the Sponsor and Issue Manager and Placement Agent in respect of such number of Shares as set out below, which such Existing Shareholder legally and/or beneficially owns, directly and/or indirectly, as of the date of the undertaking and as of the Listing Date (adjusted for any bonus issue or sub-division) (such Shares referred to below as such Existing Shareholder's "Relevant Shares").

Shareholder	Number of Relevant Shares (post-Share Split)	As a Proportion of Share Capital Immediately after the Completion of the Placement (%)
Lim Chwee Teck	10,516,800	4.3
NUS Technology Holdings Pte Ltd	1,853,800	0.8
Dark Horse Investment Holdings Limited	3,012,800	1.2
BV Healthcare II Pte. Ltd.	13,652,500	5.6
Chong Kai Chuan	677,900	0.3
Lim Wan Teck Darren	406,800	0.2
SEEDS Capital	25,880,800	10.7
Trauwin Pte. Limited	19,044,600	7.9
Naga Capital Partners (Cayman) Limited	1,175,600	0.5
Kenyon Pte. Ltd.	4,702,800	1.9
Lim Hwee Sian	3,527,000	1.5
Mitsubishi UFJ Life Science I, Limited Partnership	9,139,900	3.8

Pursuant to their respective undertakings, each of the Existing Shareholders has agreed not to, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant any security over, encumber or otherwise transfer or dispose of, directly or indirectly, any of his/its Relevant Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his/its Relevant Shares;

(b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of his/its Relevant Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his/its Relevant Shares;

(c) deposit any of his/its Relevant Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of his/its Relevant Shares in any depository receipt facilities, whether any such transaction described above is to be settled by delivery of his/its Relevant Shares or such other securities, in cash or otherwise;

(d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or

(e) announce or publicly disclose any intention to do any of the above.

The foregoing restrictions in the undertakings provided by each of the Existing Shareholders shall apply for the period commencing from the date of the undertaking until the date falling 12 months from the Listing Date (both dates inclusive).

Save for the Share Purchasers and the persons named in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document, there were no investors who acquired our Shares, and who made payment for their acquisition, less than 12 months prior to the Listing Date.

Dilution is the amount by which the Issue Price paid by the subscribers of our Shares in this Placement exceeds our NAV per Share immediately after the completion of the Placement. Our unaudited pro forma NAV per Share as of 30 June 2018 after adjusting for the Share Split but before adjusting for the issuance of the Placement Shares was 4.1 cents.

Our unaudited pro forma NAV per Share as of 30 June 2018 after adjusting for the Share Split and the issuance of the Placement Shares, would have been 6.1 cents per Share. This represents an immediate increase in NAV per Share of 2.0 cents, or approximately 48.8%, to our existing Shareholders and an immediate dilution in NAV per Share of 21.9 cents, or approximately 78.2%, to new investors subscribing for the Placement Shares at the Issue Price.

The following table illustrates the dilution on a per Share basis:

Issue Price	28.0 cents
Unaudited pro forma NAV per Share as of 30 June 2018 after adjusting for the Share Split	4.1 cents
Increase in NAV per Share attributable to existing Shareholders	2.0 cents
Unaudited pro forma NAV per Share as of 30 June 2018 after adjusting for the Share Split and the issuance of the Placement Shares[(1)]	6.1 cents
Dilution in NAV per Share to new investors	21.9 cents
Percentage dilution in NAV per Share to new investors	78.2%

Note:

(1) This does not take into account our actual financial performance after 30 June 2018. Depending on our actual financial results, our NAV per Share may be higher or lower than our NAV per Share set out above.

The following table summarises the total number of Shares (after adjusting for the Share Split) acquired by our Directors, Substantial Shareholders and/or their associates, or Shares which they have the right to acquire, during the period of three years prior to the date on which this Offer Document was lodged with SGX-ST, acting as agent on behalf of the Authority, the total consideration paid by them and the average effective cash cost per Share to them and to the new investors pursuant to the Placement:

	Number of Shares Acquired or which there is a Right to Acquire	Total Consideration (S$)	Average Effective Cash Cost per Share (cents)
Directors and their associates			
Mr. Jeremy Yee	–	–	–
Mr. Ivan Lew	–	–	–
Mr. Johnson Chen	2,748,300	131,764.44	4.79
Mr. Leong Yow Seng	–	–	–
Mr. James Ong	52,200	10,223.84	19.59
Mr. Peter Koh	–	–	–
Ms. Toh Shih Hua	–	–	–

	Number of Shares Acquired or which there is a Right to Acquire	Total Consideration (S$)	Average Effective Cash Cost per Share (cents)
Ms. Yee Lin Jacqueline[1]	510,600	100,001.47	19.59
Mr. Chen Chung Ni Johnny[2]	6,127,100	1,199,984.45	19.58
Ms. Chen Joyce[2]	160,800	7,542.42	4.69
Substantial Shareholders and their associates			
Clearbridge BSA	56,441,000	6,472,602.27[3]	11.47
SEEDS Capital	22,186,400	4,539,402.27	20.46
Trauwin Pte. Limited	17,566,800	5,660,815.46	32.22
BV Healthcare II Pte. Ltd.	12,174,700	2,259,143.93	18.56
New investors	27,500,000	7,700,000.00	28.0

Notes:

(1) Ms. Yee Lin Jacqueline is the sister of our Non-Executive Non-Independent Chairman, Mr. Jeremy Yee.

(2) Mr. Chen Chung Ni Johnny and Ms. Chen Joyce are the father and sister, respectively, of our Non-Executive Non-Independent Director, Mr. Johnson Chen.

(3) The consideration reflected in this table includes an aggregate amount of S$1,933,200.00 paid by Clearbridge Health, the holding company of Clearbridge BSA, for the acquisition of 130,000 Shares and 72,128 Preference Shares in July 2010 and February 2013, respectively. The Shares and Preference Shares were transferred by Clearbridge Health to Clearbridge BSA in September 2017 for a nominal consideration of S$1.00.

The following selected financial information of our Company should be read in conjunction with the full text of this Offer Document, including the "Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Financial Years Ended December 31, 2015, December 31, 2016 and December 31, 2017" and the "Interim Condensed Unaudited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Six Months Ended June 30, 2018", as set out in Appendices A and B to this Offer Document, respectively.

SELECTED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	← Audited →			← Unaudited →	
(S$'000)	**FY2015**	**FY2016**	**FY2017**	**HY2017**	**HY2018**
Revenue	804	1,942	2,084	1,221	627
Other income	258	503	119	42	45
Changes in inventories	81	(6)	568	221	(23)
Purchases	(387)	(558)	(1,293)	(694)	(159)
Employees benefits expense	(417)	(512)	(1,669)	(816)	(754)
Depreciation expense	(443)	(489)	(485)	(228)	(211)
Amortisation expense	(25)	(14)	(18)	(8)	(13)
R&D expense	(1,543)	(2,287)	(995)	(468)	(531)
Change in fair value of financial liabilities designated as FVTPL	(2,024)	(1,214)	(1,796)	(1,586)	(316)
Other expenses	(3,074)	(2,770)	(2,548)	(1,229)	(883)
Finance costs	(1,258)	(1,461)	(1,179)	(653)	(557)
Loss before tax	(8,028)	(6,866)	(7,212)	(4,198)	(2,775)
Income tax expense	–	–	–	–	–
Loss for the year/period	(8,028)	(6,866)	(7,212)	(4,198)	(2,775)
Other comprehensive income:					
Foreign currency translation	1	(6)	20	(2)	(23)
Total comprehensive loss for the year/period	(8,027)	(6,872)	(7,192)	(4,200)	(2,798)
Loss attributable to:					
Shareholders of the Company	(8,028)	(6,866)	(7,212)	(4,198)	(2,775)
Non-controlling interest	–	–	–	–	–
Loss for the year/period	(8,028)	(6,866)	(7,212)	(4,198)	(2,775)
Total comprehensive income attributable to:					
Shareholders of the Company	(8,027)	(6,872)	(7,192)	(4,200)	(2,798)
Non-controlling interest	–	–	–	–	–
Total comprehensive income for the year/period	(8,027)	(6,872)	(7,192)	(4,200)	(2,798)
Pre-Placement EPS (cents)[(1)]	(3.73)	(3.19)	(3.35)	(1.95)	(1.29)
Post-Placement EPS (cents)[(2)]	(3.31)	(2.83)	(2.97)	(1.73)	(1.14)

Notes:

(1) For comparative purposes, our pre-Placement EPS for the Period Under Review have been computed based on the loss for the year/period and our pre-Placement share capital of 215,000,000 Shares.

(2) For comparative purposes, our post-Placement EPS for the Period Under Review have been computed based on the loss for the year/period and our post-Placement share capital of 242,500,000 Shares.

SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(S$'000)	Audited as at 31 December 2017	Unaudited as at 30 June 2018
ASSETS		
Current assets:		
Cash and cash equivalents	2,455	645
Trade receivables	289	131
Other receivables	361	244
Inventories	979	788
Total current assets	4,084	1,808
Non-current assets:		
Property, plant and equipment	503	405
Intangible assets	619	655
Total non-current assets	1,122	1,060
Total assets	5,206	2,868
EQUITY AND LIABILITIES		
Equity:		
Share capital	10,244	10,244
Translation reserve	10	(13)
Share option reserve	998	974
Accumulated losses	(35,098)	(37,873)
Net capital deficiency	(23,846)	(26,668)
Current liabilities:		
Trade payables	813	199
Other payables	396	620
Convertible loans	9,794	10,100
Total current liabilities	11,003	10,919
Non-current liabilities:		
Convertible loans	6,322	6,333
Redeemable convertible preference shares	11,727	12,284
Total non-current liabilities	18,049	18,617
Total liabilities	29,052	29,536
Total equity and liabilities	5,206	2,868
NAV per Share (cents)[(1)]	(11.09)	(12.40)

Note:

(1) Our NAV per Share as at 31 December 2017 and 30 June 2018 have been computed based on our pre-Placement share capital of 215,000,000 Shares.

SELECTED PRO FORMA FINANCIAL INFORMATION

The following selected pro forma financial information of our Company should be read in conjunction with the full text of this Offer Document, including the "Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Financial Years Ended December 31, 2015, December 31, 2016 and December 31, 2017", the "Interim Condensed Unaudited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Six Months Ended June 30, 2018" and the "Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendices A, B and C to this Offer Document, respectively.

The Pro Forma Financial Information has been prepared for illustrative purposes only, and is based on the assumption that the significant events set out below ("Significant Events") have taken place on (i) 1 January 2017 for the unaudited pro forma consolidated statements of comprehensive income and unaudited pro forma consolidated statements of cash flows for FY2017 and HY2018; and (ii) on 31 December 2017 and 30 June 2018 for the unaudited pro forma consolidated statements of financial position as at 31 December 2017 and 30 June 2018, respectively:

(a) the conversion of all the existing Preference Shares into Shares;

(b) the conversion of the Convertible Loans into Shares;

(c) the issuance of the Series C Investment Shares and Series C Warrants;

(d) the exercise of all the Series C Warrants; and

(e) the exercise of options granted under our ESOS.

Please refer to the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document for further details on the abovementioned events. The Pro Forma Financial Information is not necessarily indicative of the financial position, financial performance and cash flows of our Company that would have been attained had the Significant Events actually occurred on those dates. The Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of our Company's actual financial position, financial performance or cash flows.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(S$'000)	FY2017	HY2018
Revenue	2,084	627
Other income	119	45
Changes in inventories	568	(23)
Purchases	(1,293)	(159)
Employees benefits expense	(1,669)	(754)
Depreciation expense	(485)	(211)
Amortisation expense	(18)	(13)
R&D expense	(995)	(531)
Other expenses	(2,548)	(883)
Loss before tax	(4,237)	(1,902)
Income tax expense	–	–
Loss for the year/period	(4,237)	(1,902)
Other comprehensive income:		
Foreign currency translation	20	(23)
Total comprehensive loss for the year/period	(4,217)	(1,925)
Loss attributable to:		
Shareholders of the Company	(4,237)	(1,902)
Non-controlling interest	–	–
Loss for the year/period	(4,237)	(1,902)
Total comprehensive income attributable to:		
Shareholders of the Company	(4,217)	(1,925)
Non-controlling interest	–	–
Total comprehensive income for the year/period	(4,217)	(1,925)
Pre-Placement EPS (cents)[(1)]	(1.97)	(0.88)
Post-Placement EPS (cents)[(2)]	(1.75)	(0.78)

Notes:

(1) For comparative purposes, our pro forma pre-Placement EPS for the Period Under Review have been computed based on the loss for the year/period and our pre-Placement share capital of 215,000,000 Shares.

(2) For comparative purposes, our pro forma post-Placement EPS for the Period Under Review have been computed based on the loss for the year/period and our post-Placement share capital of 242,500,000 Shares.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(S$'000)	As at 31 December 2017	As at 30 June 2018
ASSETS		
Current assets:		
Cash and cash equivalents	9,155	7,349
Trade receivables	289	131
Other receivables	361	244
Inventories	979	788
Total current assets	10,784	8,512
Non-current assets:		
Property, plant and equipment	503	405
Intangible assets	619	655
Total non-current assets	1,122	1,060
Total assets	11,906	9,572
EQUITY AND LIABILITIES		
Equity:		
Share capital	46,564	46,564
Translation reserve	10	(13)
Accumulated losses	(35,877)	(37,798)
Total equity	10,697	8,753
Current liabilities:		
Trade payables	813	199
Other payables	396	620
Total current liabilities, representing total liabilities	1,209	819
Total equity and liabilities	11,906	9,572
NAV per Share (cents)[(1)]	4.98	4.07

Note:

(1) Our pro forma NAV per Share as at 31 December 2017 and 30 June 2018 have been computed based on our pre-Placement share capital of 215,000,000 Shares.

The following discussion of our results of operations and financial condition has been prepared by our management and should be read in conjunction with the "Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Financial Years Ended December 31, 2015, December 31, 2016 and December 31, 2017", the "Interim Condensed Unaudited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Six Months Ended June 30, 2018" and the "Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendices A, B and C to this Offer Document, respectively. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section titled "Risk Factors" of this Offer Document. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Sponsor and Issue Manager and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the section titled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document for further details.

OVERVIEW

We are a Singapore-based medical technology company focusing on the development of cell enrichment systems which, when combined with other analytical tests, have a wide range of applications for cancer diagnosis, prognosis, treatment selection and treatment monitoring.

Please refer to the section titled "Our Business – Business Overview" of this Offer Document for further details.

Revenue

For the Period under Review, our revenue was derived from the following business segments:

(a) ***Product sales***

We sell our ClearCell® FX1 System, the accompanying CTChip® FR1 biochip and other consumables to academic and research institutions, hospitals and laboratories. Revenue from product sales amounted to S$0.80 million, S$1.00 million, S$1.31 million, S$0.77 million and S$0.63 million for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

Revenue from product sales is recognised when significant risks and rewards of ownership of goods have been transferred to our customers, we retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to us and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

(b) ***Project revenue***

We provide design and development services for R&D collaboration projects which we may enter into from time to time. For the Period Under Review, we derived project revenue from a joint development collaboration with Sysmex which commenced in FY2016, which amounted to S$0.94 million, S$0.77 million and S$0.45 million for FY2016, FY2017 and HY2017, respectively. No project revenue was recorded in HY2018 as all milestones and deliverables under the joint development collaboration with Sysmex were fulfilled by the end of FY2017.

Project revenue is recognised when services are rendered in accordance with the terms of the agreements entered into.

Our revenue may be affected by, among others, the following factors:

(a) our ability to expand our existing range of products and services for cancer diagnosis, prognosis, treatment selection and treatment monitoring;

(b) our ability to attain regulatory approval for the commercialisation of our products and services in the various markets;

(c) our ability to remain competitive in the field of liquid biopsy. This industry is evolving rapidly with new technologies replacing legacy products, services and paradigms;

(d) fluctuations in demand for liquid biopsy products and services by customers in the healthcare, pharmaceutical and biotechnology industries; and

(e) our ability to retain customers and secure new customers. The demand for products and services from our customers is determined by our price competitiveness, response time and product and service quality.

Please refer to the sections titled "Risk Factors" and "Our Business – Prospects and Trends – Trend Information" of this Offer Document for further information on the above factors and other factors that may affect our revenue.

A breakdown of our revenue by business segments and geographical segments[(1)] for the Period Under Review is as follows:

	FY2015		FY2016		FY2017		HY2017		HY2018	
	(S$'000)	%	(S$'000)	%	(S$'000)	%	(S$'000)	%	(S$'000)	%
Product sales										
Singapore	39	4.8	74	3.8	126	6.1	41	3.4	23	3.7
Japan	172	21.4	192	9.9	365	17.5	275	22.5	246	39.2
China	58	7.1	435	22.4	305	14.6	259	21.2	29	4.7
Europe	167	20.8	162	8.3	198	9.5	9	0.7	290	46.4
US	7	0.9	28	1.4	73	3.5	35	2.9	5	0.7
Hong Kong	354	44.1	48	2.5	181	8.7	88	7.2	21	3.3
Others[(2)]	7	0.9	60	3.1	64	3.1	64	5.2	13	2.0
	804	**100.0**	**999**	**51.4**	**1,312**	**63.0**	**771**	**63.1**	**627**	**100.0**

	FY2015		FY2016		FY2017		HY2017		HY2018	
	(S$'000)	%	(S$'000)	%	(S$'000)	%	(S$'000)	%	(S$'000)	%
Project revenue										
Japan	–	–	943	48.6	772	37.0	450	36.9	–	–
	–	**–**	**943**	**48.6**	**772**	**37.0**	**450**	**36.9**	**–**	**–**
Total	**804**	**100.0**	**1,942**	**100.0**	**2,084**	**100.0**	**1,221**	**100.0**	**627**	**100.0**

Notes:

(1) Based on our customers' invoice billing address.

(2) "Others" mainly comprises customers from Australia, Taiwan and Korea.

Other Income

Other income mainly comprises:

(a) government grants and incentives relating to the Capability Development Grant, Special Employment Credit, Wage Credit Scheme and other grants from SPRING Singapore;

(b) foreign exchange gains arising from unrealised foreign balances mainly denominated in US$;

(c) gain on disposal of property, plant and equipment;

(d) rental income from the rental of part of our office premises to our Controlling Shareholder, Clearbridge Health, in FY2015; and

(e) other miscellaneous income.

Other income amounted to S$0.26 million, S$0.50 million, S$0.12 million, S$0.04 million and S$0.05 million for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

Changes in Inventories

Our inventories consist of finished goods and spare parts. Finished goods mainly comprise ClearCell® FX1 Systems, CTChip® FR1 biochips, reagent constituents and consumables designed for use in connection with our ClearCell® FX1 System, while spare parts mainly comprise mechanical and electrical sub-components for our ClearCell® FX1 System needed for our product development and improvement process and for servicing purposes. Changes in inventories reflect the increase or decrease in inventories balances between the beginning and end of the financial period. Fluctuations in the balance of our inventories were due mainly to the timing of purchase and sale of inventories. Changes in inventories (the value of inventories at the end of the financial period less the value of inventories at the beginning of the financial period) represent the amount that should be charged to profit or loss (where there is a decrease in inventories at the end of the financial period) or transferred to inventories at the end of the financial period (where there is an increase in inventories at the end of the financial period).

Changes in inventories amounted to an increase of S$0.08 million, a decrease of S$0.01 million, an increase of S$0.57 million, an increase of S$0.22 million and a decrease of S$0.02 million for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

Purchases

Purchases pertain to direct expenses incurred in the sale of products and the rendering of services in income-generating projects. Purchases include direct material costs relating to our ClearCell® FX1 System, CTChip® FR1 biochip, related consumables and spare parts, and the salaries of the R&D personnel involved in income-generating projects. Purchases amounted to S$0.39 million, S$0.56 million, S$1.29 million, S$0.69 million and S$0.16 million for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

Direct material costs amounted to S$0.36 million, S$0.37 million, S$1.07 million, S$0.55 million and S$0.13 million and represented 93.6%, 65.8%, 82.5%, 78.8% and 79.8% of our purchases in FY2015, FY2016, FY2017, HY2017 and HY2018, respectively. Direct material costs relate to costs of (a) our ClearCell® FX1 System, which we outsource to a contract manufacturer for assembly, (b) our CTChip® FR1 biochip, which we outsource to a contract manufacturer for tooling and production, and (c) mechanical and electrical sub-components, plastics and reagents that we source globally.

Salaries of the R&D personnel involved in income-generating projects amounted to S$0.14 million, S$0.14 million and S$0.09 million and represented 25.7%, 10.9% and 12.9% of our purchases in FY2016, FY2017 and HY2017, respectively. There were no such employee salaries recorded under purchases in FY2015 and HY2018 as the project commenced in FY2016 and all milestones and deliverables under our joint development collaboration project with Sysmex were fulfilled in FY2016 and FY2017.

Employees Benefits Expense

Employees benefits expense comprises mainly staff and directors' remuneration (which includes salary, bonus, share-based compensation and statutory contributions) and other staff-related expenses such as staff welfare expenses and accruals for unutilised annual leave. Remuneration and staff-related expenses of our R&D employees are recorded separately under R&D expense.

Employees benefits expense amounted to S$0.41 million, S$0.51 million, S$1.67 million, S$0.82 million and S$0.75 million and represented 7.5%, 8.4%, 29.2%, 29.7% and 31.5% of our total operating expenses for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

Depreciation Expense

Depreciation expense relates to depreciation of our property, plant and equipment, comprising (a) production, tooling and mould equipment, (b) testing and trial equipment, (c) laboratory equipment, (d) renovation, furniture and fittings, and (e) computer and office equipment.

Depreciation expense amounted to S$0.44 million, S$0.49 million, S$0.48 million, S$0.23 million and S$0.21 million and represented 8.1%, 8.1%, 8.5%, 8.3% and 8.8% of our total operating expenses for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

Amortisation Expense

Amortisation expense consists mainly of amortisation charges of our patents and trade marks. The patents are amortised over 10 years based on the estimated useful economic life of the patents, while the trade marks are amortised over 10 years based on the duration of the rights.

Amortisation expense amounted to S$0.03 million, S$0.01 million, S$0.02 million, S$0.01 million and S$0.01 million and represented 0.4%, 0.2%, 0.3%, 0.3% and 0.6% of our total operating expenses for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

R&D Expense

R&D expense consists mainly of remuneration and staff-related expenses of our R&D personnel, design and certification costs and testing costs.

R&D expense amounted to S$1.54 million, S$2.29 million, S$0.99 million, S$0.47 million and S$0.53 million and represented 28.1%, 37.7%, 17.4%, 17.0% and 22.2% of our total operating expenses for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

Change in Fair Value of Financial Liabilities Designated as FVTPL

Change in fair value of financial liabilities designated as FVTPL arises mainly due to remeasurement at fair value of the Convertible Loans.

In accordance with SFRS(I), our Company has measured the fair value of each Convertible Loan based on a discounted cash flow model, using a market interest rate for an equivalent non-convertible bond at the time of issue. The fair value is subsequently remeasured as at the end of every financial period. Difference between the fair value of the Convertible Loans and their principal amounts at the time of issue, as well as subsequent changes in fair value arising from remeasurement, are recorded in profit or loss under change in fair value of financial liabilities designated as FVTPL.

The Convertible Loans were converted into Shares in July 2018. Please refer to the "Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendix C to this Offer Document, for further details on the changes in our share capital.

Change in fair value of the Convertible Loans designated as FVTPL amounted to S$2.02 million, S$1.21 million, S$1.80 million, S$1.59 million and S$0.32 million for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

Other Expenses

Other expenses mainly comprise rental expenses, travel expenses, professional fees, sales and marketing expenses, clinical studies expenses, management fees for administrative services provided to us by our Controlling Shareholder, Clearbridge Health, foreign exchange loss, write-off of intangible assets and provision for inventories obsolescence. Other expenses also include the licence fees and royalties which we pay to the University of Cincinnati and the NUS, pursuant to the terms of the licence agreements which we have entered into with the respective institutions. Please refer to the section titled "Our Business – Intellectual Property – Licence Agreements" of this Offer Document for further details.

Other expenses amounted to S$3.07 million, S$2.77 million, S$2.55 million, S$1.23 million and S$0.88 million and represented 55.9%, 45.6%, 44.6%, 44.7% and 36.9% of our total operating expenses for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

Finance Costs

Finance costs relate to accretion of interest expense on the Redeemable Convertible Preference Shares. Finance costs amounted to S$1.26 million, S$1.46 million, S$1.18 million, S$0.65 million and S$0.56 million for FY2015, FY2016, FY2017, HY2017 and HY2018, respectively.

In accordance with SFRS(I), our Company has regarded the Redeemable Convertible Preference Shares as compound instruments and recognised the liability component and equity component separately as financial liabilities and equity, in accordance with the substance of the contractual arrangement. The dividends on the Preferences Shares, if any, are recognised as finance costs. No dividends were paid on the Preference Shares as our Company did not have available distributable profits during the Period Under Review.

As at the date of issue, the fair value of the liability component is estimated based on a discounted cash flow model, using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until it is extinguished upon conversion or redemption of the Redeemable Convertible Preference Shares. Accretion of interest expense on the liability component is recognised as finance cost.

As for the equity component, it is determined as at the date of issue by deducting the fair value of the liability component from the proceeds of the Redeemable Convertible Preference Shares. This is recognised in equity, net of income tax effects, and is not subsequently remeasured.

The Redeemable Convertible Preference Shares were converted into Shares in July 2018. Please refer to the "Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendix C to this Offer Document, for further details on the changes in our share capital.

Income Tax Expense

Our Company and our subsidiaries were subject to income tax at the applicable statutory tax rates in Singapore, Japan and the US, respectively, during the Period Under Review. Our subsidiaries in Japan and the US ceased operations in July 2018 and September 2018, respectively. This was due to a refocus in business strategy to adopt a distributorship network for operational efficiency, instead of operating representative offices in various jurisdictions.

For the Period Under Review, no income tax expense was recognised as we did not record any taxable profits.

SEASONALITY

Generally, our business is not subject to any significant seasonal fluctuations.

INFLATION

For the Period Under Review, inflation did not have a material impact on our performance.

REVIEW OF RESULTS OF OPERATIONS

FY2015 vs FY2016

Revenue

Our revenue increased by S$1.14 million or 141.7%, from S$0.80 million in FY2015 to S$1.94 million in FY2016. This was due to an increase in product sales and project revenue.

Revenue from product sales increased by S$0.20 million or 24.3%, from S$0.80 million in FY2015 to S$1.00 million in FY2016, due to an increase in sales of our CTChip® FR1 biochips and consumables as a result of an increase in the number of ClearCell® FX1 Systems placed out at the sites of our research and academic institution collaborators as testing and trial equipment. We recorded project revenue of S$0.94 million in FY2016, arising from a joint development collaboration between our Company and Sysmex which was entered into in March 2016.

Other Income

Other income increased by S$0.24 million or 91.8%, from S$0.26 million in FY2015 to S$0.50 million in FY2016, due mainly to a one-off gain on fixed asset disposal of S$0.10 million in FY2016 and an increase in government grants and rebates of S$0.14 million, due mainly to a higher pay out of the Capability Development Grant in FY2016.

Changes in Inventories

We registered a decrease of S$0.01 million in the closing balance of our inventories in FY2016, as compared to an increase of S$0.08 million in FY2015. The fluctuations in the balance of our inventories were due mainly to the timing of purchase and sale of inventories.

Purchases

Our purchases increased by S$0.17 million or 44.1%, from S$0.39 million in FY2015 to S$0.56 million in FY2016, due mainly to S$0.14 million of salaries of the R&D personnel involved in the joint development collaboration project with Sysmex contributing to purchases in FY2016.

Employees Benefits Expense

Employees benefits expense increased by S$0.10 million or 22.8%, from S$0.41 million in FY2015 to S$0.51 million in FY2016, due mainly to an increase in directors' remuneration of S$0.18 million, as a result of the appointment of an additional executive director in FY2016, partially offset by a decrease in share-based payment of S$0.08 million as less employee share options were vested in FY2016 as compared to FY2015.

Depreciation Expense

Depreciation expense increased by S$0.05 million or 10.4%, from S$0.44 million in FY2015 to S$0.49 million in FY2016, due mainly to additions to property, plant and equipment of S$0.35 million in FY2016.

Amortisation Expense

Amortisation expense decreased by S$0.01 million or 42.8%, from S$0.02 million in FY2015 to S$0.01 million in FY2016, due mainly to the write-off of intangible assets of S$0.06 million in FY2016.

R&D Expense

R&D expense increased by S$0.75 million or 48.2%, from S$1.54 million in FY2015 to S$2.29 million in FY2016, due mainly to an increase in design and certification costs of S$0.35 million, an increase in remuneration and staff-related expenses of R&D employees of S$0.24 million, and an increase in research prototype costs of S$0.14 million. The increase in design and certification costs and research prototype costs was due mainly to product design services provided by a third party service provider that we engaged to improve the design of our ClearCell® FX1 System in FY2016.

Change in Fair Value of Financial Liabilities Designated as FVTPL

Change in fair value of financial liabilities designated as FVTPL decreased by S$0.81 million or 40.0%, from S$2.02 million in FY2015 to S$1.21 million in FY2016. This was due mainly to differences in the repayment terms of the Convertible Loans issued by our Company in FY2015 and FY2016.

Pursuant to the terms of the Convertible Loan issued in FY2015, our Company was required to repay 200.0% of the principal amount in the event that it was not converted, while the terms of the Convertible Loan issued in FY2016 required our Company to repay 100.0% of the principal amount in the event that it was not converted. Consequently, the initial recognition of difference between the fair value and the principal amount of the Convertible Loan issued in FY2016 was lower compared to the Convertible Loan issued in FY2015, resulting in a decrease in change in the fair value of financial liabilities designated as FVTPL in FY2016.

Other Expenses

Our other expenses decreased by S$0.30 million or 9.9%, from S$3.07 million in FY2015 to S$2.77 million in FY2016, due mainly to the following:

(a) a S$0.58 million decrease in clinical studies expenses, due mainly to a reduction in the number of collaborations with clinical partners to evaluate and validate our ClearCell® FX1 System and related consumables as a result of the completion of some existing collaborations during the year;

(b) a S$0.09 million decrease in intangible assets written off. These intangible assets pertain to patent rights relating to an older cell separation technology which was assessed by management as being commercially unviable in FY2015; and

(c) a S$0.19 million decrease in provision for inventories obsolescence for products utilising the abovementioned cell separation technology.

The above was partially offset by:

(a) a S$0.12 million increase in travel expenses, due mainly to an increase in marketing activities in FY2016 as part of our business expansion efforts;

(b) a S$0.15 million increase in other miscellaneous expenses, due mainly to an increase in maintenance costs of testing and trial equipment, and operating expenses of our US subsidiary which was incorporated in July 2016;

(c) a S$0.07 million increase in doubtful debt written off, in relation to a trade receivable due from a short-term distributor which was deemed uncollectible; and

(d) a S$0.21 million increase in professional fees, due mainly to a one-off valuation exercise on the equity stake in our Company and an internal controls review conducted in FY2016.

Finance Costs

Finance costs increased by S$0.20 million or 16.1%, from S$1.26 million in FY2015 to S$1.46 million in FY2016, due mainly to an increase in accretion of interest in relation to the Redeemable Convertible Preference Shares.

Loss Before Tax

As a result of the foregoing, our loss before tax decreased by S$1.16 million or 14.4%, from S$8.03 million in FY2015 to S$6.87 million in FY2016.

FY2016 vs FY2017

Revenue

Our revenue increased by S$0.14 million or 7.3%, from S$1.94 million in FY2016 to S$2.08 million in FY2017. This was due to an increase in product sales, partially offset by a decrease in project revenue.

Revenue from product sales increased by S$0.31 million or 31.3%, from S$1.00 million in FY2016 to S$1.31 million in FY2017, due mainly to an increase in the sales of our ClearCell® FX1 System, CTChip® FR1 biochips and consumables as a result of an increase in sales and marketing efforts. Project revenue decreased by S$0.17 million or 18.2%, from S$0.94 million in FY2016 to S$0.77 million in FY2017, due to the timing of completion of deliverables under our collaboration agreement with Sysmex.

Other Income

Other income decreased by S$0.38 million or 76.3%, from S$0.50 million in FY2016 to S$0.12 million in FY2017, due mainly to a decrease in government grants and rebates of S$0.25 million as there was no pay out of Capability Development Grant in FY2017, and the absence of a one-off gain on fixed asset disposal of S$0.10 million in FY2016.

Changes in Inventories

We recorded an increase of S$0.57 million in the closing balance of our inventories in FY2017, as compared to a decrease of S$0.01 million in FY2016. The increase in inventories in FY2017 was mainly due to the increase in procurement in anticipation of increased business activities.

Purchases

Our purchases increased by S$0.73 million or 131.7%, from S$0.56 million in FY2016 to S$1.29 million in FY2017, due mainly to the increase in procurement in anticipation of increased business activities.

Employees Benefits Expense

Employees benefits expense increased by S$1.16 million or 226.2%, from S$0.51 million in FY2016 to S$1.67 million in FY2017, due mainly to the reclassification of remuneration and staff-related expenses of S$1.14 million relating to non-R&D employees, from R&D expense to employees benefits expense in FY2017.

Prior to FY2017, remuneration and staff-related expenses of all employees were classified as R&D expenses, reflecting the nature of our operations, which were primarily R&D focused. As revenue from product sales increased following the regulatory approvals obtained by us to market and sell our ClearCell® FX1 System, we transitioned from an R&D-based company to one with commercial activities. In view of this, remuneration and staff-related expenses were reclassified in FY2017 to reflect the functions of employees engaged in R&D and non-R&D activities.

Depreciation Expense

Depreciation expense remained relatively stable at S$0.49 million and S$0.48 million in FY2016 and FY2017, respectively.

Amortisation Expense

Amortisation expense increased by S$0.01 million or 28.3%, from S$0.01 million in FY2016 to S$0.02 million in FY2017. This was mainly due to additions of S$0.12 million of intangible assets in FY2017.

R&D Expense

R&D expense decreased by S$1.30 million or 56.5%, from S$2.29 million in FY2016 to S$0.99 million in FY2017, mainly due to the reclassification of remuneration and staff-related expenses of S$1.14 million relating to non-R&D employees from R&D expense to employees benefits expense in FY2017.

Change in Fair Value of Financial Liabilities Designated as FVTPL

Change in fair value of financial liabilities designated as FVTPL increased by S$0.58 million or 48.0%, from S$1.21 million in FY2016 to S$1.80 million in FY2017, due mainly to the following:

(a) an increase in the fair value of the Convertible Loans issued in FY2015 and FY2016, as a result of higher probability of successful equity financing (taking into account our Company's progress in identifying investors to subscribe for the Series C Investment Shares under the Series C Investment Agreement) of 85.0% adopted in the discounted cash flow methodology in FY2017 as compared to 60.0% in FY2016; and

(b) the initial recognition of difference between the fair value and the principal amounts of two new Convertible Loans issued in FY2017.

Other Expenses

Our other expenses decreased by S$0.22 million or 8.0%, from S$2.77 million in FY2016 to S$2.55 million in FY2017, due mainly to the following:

(a) a S$0.17 million decrease in clinical studies expenses, due mainly to a reduction in the number of collaborations with clinical partners to evaluate and validate our ClearCell® FX1 System and related consumables as a result of the completion of some existing collaborations during the year;

(b) a S$0.24 million decrease in professional fees, due mainly to the absence of fees incurred in relation to a one-off valuation exercise on the equity stake in our Company and an internal controls review conducted in FY2016; and

(c) partially offset by a S$0.19 million increase in other miscellaneous expenses, due mainly to the increase in insurance coverage for our assets and inventories, subscription for a quality management platform and the recognition of a full year of operating expenses of our US subsidiary, which was incorporated in July 2016.

Finance Costs

Finance costs decreased by S$0.28 million or 19.3%, from S$1.46 million in FY2016 to S$1.18 million in FY2017, due mainly to a decrease in the rate of accretion of interest in relation to the Redeemable Convertible Preference Shares, as a result of the extension of the maturity date of the Redeemable Convertible Preference Shares in FY2017.

Loss Before Tax

As a result of the foregoing, our loss before tax increased by S$0.35 million or 5.0%, from S$6.87 million in FY2016 to S$7.21 million in FY2017.

HY2017 vs HY2018

Revenue

Our revenue decreased by S$0.59 million or 48.6%, from S$1.22 million in HY2017 to S$0.63 million in HY2018. This was due to a decrease in product sales and project revenue in HY2018.

Revenue from product sales decreased by S$0.14 million or 18.7%, from S$0.77 million in HY2017 to S$0.63 million in HY2018, due mainly to a decrease in the sales of our ClearCell® FX1 System as a result of the completion of a collaboration agreement with MGI Wuhan to collaboratively develop a BGI-assembled CTC enrichment system (the MGI EasyCell System) based on our ClearCell® FX1 System. We derived product revenue from the sale of our ClearCell® FX1 System and related consumables to MGI Wuhan during this collaboration.

No project revenue was recognised in HY2018, as compared to S$0.45 million in HY2017, due to the completion of milestones and deliverables under our joint development collaboration with Sysmex in FY2017.

Other Income

Other income remained relatively stable at S$0.04 million and S$0.05 million in HY2017 and HY2018, respectively.

Changes in Inventories

We recorded a decrease of S$0.02 million in the closing balance of our inventories in HY2018, as compared to an increase of S$0.22 million in HY2017. The fluctuations in the balance of our inventories were due mainly to the timing of purchase and sale of inventories.

Purchases

Our purchases decreased by S$0.53 million or 77.1%, from S$0.69 million in HY2017 to S$0.16 million in HY2018, due mainly to fewer purchases made for our ClearCell® FX1 Systems as we had stocked up our inventories in FY2017.

Employees Benefits Expense

Employees benefits expense remained relatively stable at S$0.82 million and S$0.75 million in HY2017 and HY2018, respectively.

Depreciation Expense

Depreciation expense remained relatively stable at S$0.23 million and S$0.21 million in HY2017 and HY2018, respectively.

Amortisation Expense

Amortisation expense remained relatively stable at S$0.01 million and S$0.01 million in HY2017 and HY2018, respectively.

R&D Expense

R&D expense remained relatively stable at S$0.47 million and S$0.53 million in HY2017 and HY2018, respectively.

Change in Fair Value of Financial Liabilities Designated as FVTPL

Change in fair value of financial liabilities designated as FVTPL decreased by S$1.27 million or 80.1%, from S$1.59 million in HY2017 to S$0.32 million in HY2018, due mainly to the following:

(a) the probability of successful equity financing adopted in the discounted cash flow methodology for measurement of the fair value of the Convertible Loans increased from 60.0% as at 31 December 2016 to 85.0% as at 30 June 2017. Comparatively, the probability of successful equity financing adopted increased from 85.0% as at 31 December 2017 to 100.0% as at 30 June 2018. As a result, the increase in fair value was greater in HY2017 as compared to HY2018, following our entry into the Series C Investment Agreement with the Series C Investors on 28 June 2018; and

(b) the absence of Convertible Loans issued in HY2018.

Other Expenses

Our other expenses decreased by S$0.35 million or 28.2%, from S$1.23 million in HY2017 to S$0.88 million in HY2018, due mainly to the following:

(a) a S$0.11 million decrease in travel expenses, as financing opportunities were mainly focused in Asia in HY2018, as compared to Europe in HY2017; and

(b) a S$0.14 million decrease in professional fees in relation to referral fees incurred in connection with our issuance of Convertible Loans to new investors.

Finance Costs

Finance costs decreased by S$0.09 million or 14.7%, from S$0.65 million in HY2017 to S$0.56 million in HY2018, due mainly to a decrease in accretion of interest expense on the Redeemable Convertible Preference Shares, as a result of the extension of the maturity date of the Redeemable Convertible Preference Shares during HY2017.

Loss Before Tax

As a result of the foregoing, our loss before tax decreased by S$1.42 million or 33.9%, from S$4.20 million in HY2017 to S$2.78 million in HY2018.

Reconciliation of our Audited Consolidated Statements of Comprehensive Income for FY2017, Unaudited Consolidated Statements of Comprehensive Income for HY2018 and Unaudited Pro Forma Consolidated Statements of Comprehensive Income for FY2017 and HY2018

In FY2017, we recorded a loss for the year of S$7.21 million, while based on our unaudited pro forma consolidated statements of comprehensive income, we recorded a loss for the year of S$4.24 million. The decrease in loss for the year was due to the following:

(a) the absence of change in fair value of financial liabilities designated as FVTPL, which amounted to S$1.80 million in FY2017, as all Convertible Loans were assumed to be converted into Shares on 1 January 2017; and

(b) the absence of finance costs relating to accretion of interest expense on the Redeemable Convertible Preference Shares, which amounted to S$1.18 million in FY2017, as all Preference Shares were assumed to be converted into Shares on 1 January 2017.

In HY2018, we recorded a loss for the period of S$2.78 million, while based on the unaudited pro forma consolidated statements of comprehensive income, we recorded a loss for the period of S$1.90 million. The decrease in loss for the period was due to the following:

(a) the absence of change in fair value of financial liabilities designated as FVTPL, which amounted to S$0.32 million in HY2018, as all Convertible Loans were assumed to be converted into Shares on 1 January 2017; and

(b) the absence of finance costs relating to accretion of interest expense on the Redeemable Convertible Preference Shares, which amounted to S$0.56 million in HY2018, as all Preference Shares were assumed to be converted into Shares on 1 January 2017.

REVIEW OF FINANCIAL POSITION

Current Assets

Current assets, comprising cash and cash equivalents, trade receivables, other receivables, and inventories, amounted to S$4.08 million and S$1.81 million and accounted for 78.4% and 63.1% of our total assets as at 31 December 2017 and 30 June 2018, respectively.

Cash and cash equivalents, which comprised cash and bank balances, amounted to S$2.45 million and S$0.64 million, accounting for 47.1% and 22.5% of our total assets as at 31 December 2017 and 30 June 2018, respectively.

Trade receivables, which comprised trade amounts due from third parties, amounted to S$0.29 million and S$0.13 million, accounting for 5.6% and 4.6% of our total assets as at 31 December 2017 and 30 June 2018, respectively. The decrease in trade receivables was in line with our decrease in revenue.

Other receivables, which comprised mainly prepayments and deposit, amounted to S$0.36 million and S$0.24 million, accounting for 6.9% and 8.5% of our total assets as at 31 December 2017 and 30 June 2018, respectively. The decrease in other receivables was mainly due to a decrease in prepayments, as a result of a prepayment made to a partner for the evaluation of our ClearCell® FX1 System being expensed in HY2018.

Inventories, which comprised spare parts and finished goods, amounted to S$0.98 million and S$0.79 million, accounting for 18.8% and 27.5% of our total assets as at 31 December 2017 and 30 June 2018, respectively. The decrease in inventories was mainly due to a decrease in purchases and the reclassification of ClearCell® FX1 Systems which were being used as testing equipment, from inventories to testing and trial equipment under fixed assets.

Non-Current Assets

Non-current assets, comprising property, plant and equipment and intangible assets, amounted to S$1.12 million and S$1.06 million and accounted for 21.6% and 36.9% of our total assets as at 31 December 2017 and 30 June 2018, respectively.

Property, plant and equipment, comprising computer and office equipment, laboratory equipment, testing and trial equipment, production, tooling and mould equipment, and renovation, furniture and fittings, amounted to S$0.50 million and S$0.41 million, accounting for 9.7% and 14.1% of our total assets as at 31 December 2017 and 30 June 2018, respectively. The decrease in property, plant and equipment was due mainly to depreciation charges, partially offset by the reclassification of ClearCell® FX1 Systems which were being used as testing equipment, from inventories to testing and trial equipment under fixed assets.

Intangible assets, which comprised patent rights and trade marks, amounted to S$0.62 million and S$0.66 million, accounting for 11.9% and 22.8% of our total assets as at 31 December 2017 and 30 June 2018, respectively.

Current Liabilities

Current liabilities, comprising trade payables, other payables and convertible loans, amounted to S$11.00 million and S$10.92 million and accounted for 37.9% and 37.0% of our total liabilities as at 31 December 2017 and 30 June 2018, respectively.

Trade payables amounted to S$0.81 million and S$0.20 million, accounting for 2.8% and 0.7% of our total liabilities as at 31 December 2017 and 30 June 2018, respectively. The decrease in trade payables was mainly due to higher purchases of inventories closer to the end of FY2017.

Other payables, which mainly comprised accruals, advances from third parties, deferred income and non-trade payables owing to related parties, amounted to S$0.40 million and S$0.62 million, accounting for 1.4% and 2.1% of our total liabilities as at 31 December 2017 and 30 June 2018, respectively. Please refer to the section titled "Interested Person Transactions and Potential Conflicts of Interests – Past Interested Person Transactions – Incubation services agreement" of this Offer Document for further details. The increase in other payables was mainly due to advances received from the Series C Investors in connection with their subscription for Series C Investment Shares under the Series C Investment Agreement.

Current portion of Convertible Loans amounted to S$9.79 million and S$10.10 million, accounting for 33.7% and 34.2% of our total liabilities as at 31 December 2017 and 30 June 2018, respectively. The Convertible Loans were converted into Shares in July 2018.

Non-Current Liabilities

Non-current liabilities, comprising Convertible Loans and the liability component of the Redeemable Convertible Preference Shares, amounted to S$18.05 million and S$18.62 million and accounted for 62.1% and 63.0% of our total liabilities as 31 December 2017 and 30 June 2018, respectively.

Non-current portion of Convertible Loans amounted to S$6.32 million and S$6.33 million, accounting for 21.7% and 21.4% of our total liabilities as at 31 December 2017 and 30 June 2018, respectively. The Convertible Loans were converted into Shares in July 2018.

The liability component of the Redeemable Convertible Preference Shares amounted to S$11.73 million and S$12.28 million, accounting for 40.4% and 41.6% of our total liabilities as at 31 December 2017 and 30 June 2018, respectively. The increase was due to the accretion of interest expense on the liability component of the Redeemable Convertible Preference Shares. The Redeemable Convertible Preference Shares were converted into Shares in July 2018.

Net Capital Deficiency Position

Our Company was in a net capital deficiency position amounting to S$23.85 million and S$26.67 million as at 31 December 2017 and 30 June 2018, respectively.

Reconciliation of our Audited Consolidated Statements of Financial Position as of 31 December 2017, Unaudited Consolidated Statements of Financial Position as of 30 June 2018 and Unaudited Pro Forma Consolidated Statements of Financial Position as of 31 December 2017 and 30 June 2018

Current Assets

Based on our unaudited pro forma consolidated statements of financial position, our current assets amounted to S$10.78 million and S$8.51 million as at 31 December 2017 and 30 June 2018, respectively, representing an increase of S$6.70 million as at each of the respective dates. The net increase of S$6.70 million was due to an increase in cash and cash equivalents as a result of the following:

(a) S$6.69 million in cash received from the Series C Investors pursuant to their subscription for Series C Investment Shares under the Series C Investment Agreement and the exercise of the Series C Warrants; and

(b) S$0.15 million in cash received pursuant to the exercise of options granted under our ESOS.

The above was partially offset by an adjustment for a cash payment of S$0.13 million upon conversion of the Convertible Loans to Shares. Pursuant to the terms of the Conversion Agreements, interest accrued on the Convertible Loans from 1 June 2018 to the date of conversion, 6 July 2018, amounting to S$0.13 million, was settled in cash instead of Shares.

Non-Current Assets

Based on our unaudited pro forma consolidated statements of financial position as at 31 December 2017 and 30 June 2018, no adjustments were made to our non-current assets as at each of the respective dates.

Current Liabilities

Based on our unaudited pro forma consolidated statements of financial position, our current liabilities amounted to S$1.21 million and S$0.82 million as at 31 December 2017 and 30 June 2018, respectively, representing a decrease of S$9.79 million and S$10.10 million as at each of the respective dates, as a result of the decrease in Convertible Loans due to the conversion of the Convertible Loans into Shares.

Non-Current Liabilities

Based on our unaudited pro forma consolidated statements of financial position, we did not record any non-current liabilities as at 31 December 2017 and 30 June 2018, representing a decrease of S$18.05 million and S$18.62 million as at each of the respective dates, as a result of the following:

(a) a decrease in Convertible Loans of S$6.32 million and S$6.33 million as at 31 December 2017 and 30 June 2018, respectively, due to the conversion of the Convertible Loans into Shares; and

(b) a decrease in the liability component of the Redeemable Convertible Preference Shares of S$11.73 million and S$12.28 million as at 31 December 2017 and 30 June 2018, respectively, due to the conversion of the Redeemable Convertible Preference Shares into Shares.

Total Equity/Net Capital Deficiency

Based on our unaudited pro forma consolidated statements of financial position as at 31 December 2017, our total equity amounted to S$10.70 million, representing an increase of S$34.54 million, as a result of the following:

(a) an increase in share capital of S$36.32 million due to the issuance of Shares pursuant to the conversion of the Preference Shares and Convertible Loans, the issuance of the Series C Investment Shares and Series C Warrants, the exercise of the Series C Warrants and the exercise of options granted under our ESOS;

(b) an increase in accumulated losses of S$0.78 million due to adjustments for (i) changes in fair value of financial liabilities designated as FVTPL in relation to the Convertible Loans of S$0.31 million, and (ii) accretion of interest expense on the Redeemable Convertible Preference Shares of S$0.58 million, for the period of 1 January 2018 up to the date of conversion. The above was partially offset by a share-based compensation adjustment of S$0.11 million arising from our Company's buy back and an option holder's forfeiture of options granted under our ESOS; and

(c) a decrease of S$1.00 million in share option reserve due to the exercise of options granted under our ESOS.

Based on our unaudited pro forma consolidated statements of financial position as at 30 June 2018, our total equity amounted to S$8.75 million, representing an increase of S$35.42 million, as a result of the following:

(a) an increase in share capital of S$36.32 million due to the issuance of Shares pursuant to the conversion of the Preference Shares and Convertible Loans, the issuance of the Series C

Investment Shares and Series C Warrants, the exercise of the Series C Warrants and the exercise of options granted under our ESOS;

(b) a decrease in accumulated losses of S$0.08 million due to a share-based compensation adjustment of S$0.09 million arising from our Company's buy back and an option holder's forfeiture of options granted under our ESOS. The above was partially offset by a net increase of S$0.01 million arising from adjustments for changes in fair value of financial liabilities designated as FVTPL in relation to the Convertible Loans and accretion of interest expense on the Redeemable Convertible Preference Shares for the period of 1 July 2018 up to the date of conversion; and

(c) a decrease in share option reserve of S$0.97 million due to the exercise of options granted under our ESOS.

LIQUIDITY AND CAPITAL RESOURCES

For FY2015, FY2016, FY2017 and HY2018, our net cash used in operating activities was S$3.26 million, S$3.93 million, S$3.72 million and S$1.72 million, respectively. We financed our working capital expenditure and other capital requirements mainly through external sources of funds which comprise mainly shareholder's loan, capital investment from shareholders and issuance of convertible loans. Our principal uses of cash have been for R&D, working capital requirements and capital expenditures.

Based on our pro forma consolidated statements of financial position as at 31 December 2017, we had cash and cash equivalents of S$9.16 million and working capital of S$9.58 million. Our shareholders' equity amounted to S$10.70 million. Based on our pro forma consolidated statements of financial position as at 30 June 2018, we had cash and cash equivalents of S$7.35 million and working capital of S$7.69 million. Our shareholders' equity amounted to S$8.75 million. As at the Latest Practicable Date, we had cash and cash equivalents of S$5.36 million.

Please refer to the section titled "Management's Discussion and Analysis of Results of Operations and Financial Condition – Review of Financial Position" of this Offer Document for further details.

Our Directors are of the reasonable opinion that, after taking into consideration our existing cash and cash equivalents, we have sufficient working capital as at the date of lodgement of this Offer Document to meet our present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor and Issue Manager is of the reasonable opinion that, having regard to the above, after having made due and careful inquiry and after taking into consideration our Company's existing cash and cash equivalents, our Company has sufficient working capital available as at the date of lodgement of this Offer Document to meet its present requirements and for at least 12 months after the listing of our Company on Catalist.

We set out below a summary of our consolidated statements of cash flows for the Period Under Review. The following net cash flow summary should be read in conjunction with the full text of this Offer Document, including the "Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Financial Years Ended December 31, 2015, December 31, 2016 and December 31, 2017", the "Interim Condensed Unaudited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Six Months Ended June 30, 2018" and the "Unaudited

Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendices A, B and C to this Offer Document, respectively.

	← Audited →			Unaudited
(S$'000)	**FY2015**	**FY2016**	**FY2017**	**HY2018**
Net cash used in operating activities	(3,258)	(3,932)	(3,721)	(1,719)
Net cash used in investing activities	(803)	(456)	(439)	(65)
Net cash from/(used in) financing activities	3,500	2,019	5,561	(3)
Net (decrease)/increase in cash and cash equivalents	(561)	(2,369)	1,401	(1,787)
Cash and cash equivalents at beginning of financial year/period	3,969	3,409	1,034	2,455
Effects of foreign exchange rate changes	1	(6)	20	(23)
Cash and cash equivalents at end of financial year/period	**3,409**	**1,034**	**2,455**	**645**

FY2015

In FY2015, we utilised net cash from operating activities before changes in working capital of S$3.71 million. Net cash generated from working capital amounted to S$0.45 million, due mainly to (a) a decrease in other receivables of S$0.18 million in relation to prepayment made during FY2014 for the acquisition of tooling and mould equipment, (b) an increase in trade payables of S$0.18 million as a result of increase in purchases from suppliers, as well as (c) an increase in other payables of S$0.41 million, due mainly to provision for inventories obsolescence and advances from third party customers. The above was partially offset by an increase in inventories of S$0.28 million as more inventories were purchased in anticipation of increased business activities. As a result of the above, net cash used in operating activities amounted to S$3.26 million.

Net cash used in investing activities of S$0.80 million was mainly for purchase of property, plant and equipment such as production, tooling and mould equipment, and testing and trial equipment of S$0.65 million, and acquisition of intangible assets comprising patent rights and trade marks of S$0.15 million.

Net cash generated from financing activities of S$3.50 million was due to the issuance of a convertible loan.

As a result of the above and after adjusting for exchange effects on cash and cash equivalents, there was a net decrease of S$0.56 million in our cash and cash equivalents, from S$3.97 million as at 1 January 2015 to S$3.41 million as at 31 December 2015.

FY2016

In FY2016, we utilised net cash from operating activities before changes in working capital of S$3.53 million. Net cash used in working capital amounted to S$0.40 million, due mainly to (a) an increase in trade receivables of S$0.58 million as a result of an invoice for the joint development collaboration with Sysmex that was billed close to year-end in FY2016, and (b) an increase in other receivables of S$0.17 million due mainly to prepayment made for a clinical studies project in FY2016. The above was partially offset by an increase in other payables of S$0.34 million as a result of deferred income from the joint development collaboration with Sysmex. As a result of the above, net cash used in operating activities amounted to S$3.93 million.

Net cash used in investing activities of S$0.46 million was mainly for purchase of property, plant and equipment such as production, tooling and mould equipment, and testing and trial equipment of S$0.35 million, and acquisition of intangible assets comprising patent rights and trade marks of S$0.21 million. The above was partially offset by proceeds of S$0.11 million from the disposal of testing and trial equipment.

Net cash generated from financing activities of S$2.02 million was due to the issuance of a convertible loan.

As a result of the above and after adjusting for exchange effects on cash and cash equivalents, there was a net decrease of S$2.38 million in our cash and cash equivalents, from S$3.41 million as at 1 January 2016 to S$1.03 million as at 31 December 2016.

FY2017

In FY2017, we utilised net cash from operating activities before changes in working capital of S$3.56 million. Net cash used in working capital amounted to S$0.16 million, due mainly to (a) an increase in inventories of S$0.64 million as more inventories were purchased in anticipation of increased business activities, and (b) a decrease in other payables of S$0.52 million due mainly to deferred income from the joint development collaboration with Sysmex in FY2016 being recognised as revenue in FY2017. The above was partially offset by (a) a decrease in trade receivables of S$0.38 million due mainly to the settlement of invoice for the joint development collaboration with Sysmex that was billed close to year-end in FY2016, and (b) an increase in trade payables of S$0.59 million due to purchase of inventories from a supplier that was billed close to year-end in FY2017. As a result of the above, net cash used in operating activities amounted to S$3.72 million.

Net cash used in investing activities of S$0.44 million was mainly for purchase of property, plant and equipment such as production, tooling and mould equipment, and testing and trial equipment of S$0.31 million, and acquisition of intangible assets comprising patent rights and trade marks of S$0.12 million.

Net cash generated from financing activities of S$5.56 million was due to the issuance of convertible loans.

As a result of the above and after adjusting for exchange effects on cash and cash equivalents, there was a net increase of S$1.42 million in our cash and cash equivalents, from S$1.03 million as at 1 January 2017 to S$2.45 million as at 31 December 2017.

HY2018

In HY2018, we utilised net cash from operating activities before changes in working capital of S$1.67 million. Net cash used in working capital amounted to S$0.05 million, due mainly to a decrease in trade payables of S$0.61 million due to settlements of invoices for the purchase of inventories from a supplier that was billed close to year-end in FY2017. This was partially offset by (a) a decrease in trade receivables of S$0.16 million as a result of settlement of invoices billed close to year-end in FY2017, (b) a decrease in other receivables of S$0.12 million as a result of the recognition of deferred expenses (recorded in relation to an invoice received in FY2017 for a clinical studies project) to expense, (c) a decrease in inventories of S$0.07 million, and (d) an increase in other payables of S$0.22 million due to advances received from the Series C Investors in connection with their subscription for Series C Investment Shares under the Series C Investment Agreement. As a result of the above, net cash used in operating activities amounted to S$1.72 million.

Net cash used in investing activities of S$0.07 million was mainly for purchase of property, plant and equipment such as testing and trial equipment of S$0.01 million, and acquisition of intangible assets comprising patent rights and trade marks of S$0.05 million.

As a result of the above and after adjusting for exchange effects on cash and cash equivalents, there was a net decrease of S$1.81 million in our cash and cash equivalents, from S$2.45 million as at 1 January 2018 to S$0.64 million as at 30 June 2018.

CAPITAL EXPENDITURES, DIVESTMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

Capital Expenditures and Divestments

Capital expenditures and divestments made by us during the Period Under Review and for the period from 1 July 2018 to the Latest Practicable Date were as follows:

(S$'000)	FY2015	FY2016	FY2017	HY2018	1 July 2018 to the Latest Practicable Date
Acquisitions					
Computer and office equipment	2	14	16	–	3
Laboratory equipment	67	5	33	–	20
Testing and trial equipment	128	312	239	141	47
Production, tooling and mould equipment	445	18	20	–	–
Renovation, furniture and fittings	9	3	7	–	–
Intangible assets	152	215	124	50	–
Total expenditures	803	567	439	191	70

(S$'000)	FY2015	FY2016	FY2017	HY2018	1 July 2018 to the Latest Practicable Date
Divestments					
Computer and office equipment	5	–	–	5	5
Laboratory equipment	–	–	–	2	–
Testing and trial equipment	27	16	16	51	47
Production, tooling and mould equipment	–	–	–	–	–
Renovation, furniture and fittings	–	–	–	–	–
Intangible assets	138	58	–	–	–
Total divestments	170	74	16	58	52

The above capital expenditures were financed by convertible loans and internally generated funds.

Commitments

Capital Commitments

As at the Latest Practicable Date, our Company does not have any material capital commitments.

Operating Lease Payment Commitments

As at the Latest Practicable Date, we have operating lease payment commitments as follows:

	(S$'000)
Not later than one year	214
Later than one year and not later than five years	27
Later than five years	–
	241

Our operating lease commitments comprise rent payable by us for our office and R&D facility. Please refer to the section titled "Our Business – Properties" of this Offer Document for further details.

We intend to finance the above operating lease commitments by internal sources of funds.

Contingent Liabilities

As at the Latest Practicable Date, we do not have any material contingent liabilities.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

During the Period Under Review, our Company had a subsidiary in Japan and a subsidiary in the US, which ceased operations in July 2018 and September 2018, respectively. The accounting records for our Company and its subsidiaries (the "Group") are maintained in their respective functional currencies, reflecting the primary economic environment in which the respective entities operate. The consolidated financial statements of our Group are presented in S$, which is the functional currency of our Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of our Group, transactions in currencies other than each entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of our Group's foreign operations (including comparatives) are expressed in S$ using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the assets and liabilities of foreign entities are recognised in other comprehensive income and accumulated in a separate component of equity under foreign currency translation reserve.

On the disposal of a foreign operation (i.e., disposal of our entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over an associated company that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to our Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised but they are not reclassified to profit or loss.

Foreign Exchange Exposure

Our reporting currency is in S$ and our operations are primarily carried out in Singapore.

The percentage of our revenue, purchases and expenses denominated in different currencies for the Period Under Review were as follows:

	FY2015	FY2016	FY2017	HY2018
Percentage of revenue denominated in				
S$	100.0	82.9	70.3	47.6
US$	–	17.1	19.2	15.1
EUR	–	–	8.6	34.0
Others[(1)]	–	–	1.9	3.3
	100.0	100.0	100.0	100.0
Percentage of purchases denominated in				
S$	86.9	90.0	91.6	82.7
US$	13.1	10.0	6.6	15.7
Others[(1)]	–	–	1.8	1.6
	100.0	100.0	100.0	100.0
Percentage of expenses denominated in				
S$	84.0	90.3	85.1	77.3
US$	13.3	5.8	13.6	21.5
EUR	0.1	1.0	0.2	0.3
Others[(1)]	2.6	2.9	1.1	0.9
	100.0	100.0	100.0	100.0

Note:

(1) "Others" comprises GBP, AU$, CHF and JPY.

At present, we do not have any formal policy for hedging against foreign exchange exposure. We will continue to monitor our foreign exchange exposure and may employ hedging instruments to manage our foreign exchange exposure should the need arise. Prior to implementing any formal hedging policies, we will seek the approval of our Board on the policy and put in place adequate procedures which shall be reviewed and approved by our Audit Committee. Thereafter, all hedging transactions that we enter into will be in accordance with the set policies and procedures.

SIGNIFICANT ACCOUNTING POLICY CHANGES

There has been no significant change in the accounting policies for our Group during the Period Under Review. The accounting policies have been consistently applied by our Group during the Period Under Review, except for the changes in accounting policies and related notes as discussed in the "Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Financial Years Ended December 31, 2015, December 31, 2016 and December 31, 2017", as set out in Appendix A to this Offer Document.

On 1 January 2018, our Group adopted the new SFRS(I) reporting framework that is identical to the International Financial Reporting Standards as issued by the International Accounting Standards Board. There are no reconciling differences between SFRS and SFRS(I) for the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of our Group for FY2017 and the consolidated statement of financial position as at 1 January 2018.

ORDER BOOK

Due to the nature of our business, we do not maintain an order book.

CAPITALISATION AND INDEBTEDNESS

The following table sets out our cash and cash equivalents as well as our capitalisation and indebtedness as of 31 October 2018, on an actual basis and as adjusted for the issuance of the Placement Shares at the Issue Price and the application of the net proceeds from the Placement (in the manner described in the section titled "Use of Proceeds and Listing Expenses" of this Offer Document).

You should read this table in conjunction with the section titled "Management's Discussion and Analysis of Results of Operations and Financial Condition" of this Offer Document and the "Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Financial Years Ended December 31, 2015, December 31, 2016 and December 31, 2017", the "Interim Condensed Unaudited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Six Months Ended June 30, 2018", and the "Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendices A, B and C to this Offer Document, respectively.

	As of 31 October 2018	
(S$'000)	**Actual**	**Adjusted[(1)]**
Cash and cash equivalents	**5,457**	**11,557**
Short-term indebtedness		
Secured and guaranteed	–	–
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	–	–
	–	–
Long-term indebtedness		
Secured and guaranteed	–	–
Secured and non-guaranteed	–	–
Unsecured and guaranteed	–	–
Unsecured and non-guaranteed	–	–
	–	–
Total indebtedness	**–**	**–**
Total Shareholders' equity	**6,927**	**13,027**
Total capitalisation and indebtedness	**6,927**	**13,027**

Note:

(1) Adjusted to reflect the issuance of 27,500,000 Placement Shares at the Issue Price and the application of the net proceeds from the Placement in the manner described in the section titled "Use of Proceeds and Listing Expenses" of this Offer Document.

Bank Facilities

As of the Latest Practicable Date, we do not have any credit facilities or bank loans.

Singapore

Currently, there are no exchange control restrictions in effect in Singapore.

HISTORY

Our Company was incorporated in Singapore on 19 July 2009 under the Companies Act as a private company limited by shares, under the name Clearbridge Biomedics Pte. Ltd.. On 1 November 2018, our Company was converted into a public company limited by shares and the name of our Company was changed to Biolidics Limited in connection therewith.

A summary of the significant milestones in our history since incorporation is set out below:

Year	Milestone
2009	Our Company was founded by our Non-Executive Non-Independent Director, Mr. Johnson Chen, together with Professor Lim Chwee Teck, Mr. Tan Swee Jin, PhD and Mr. Chong Chee Wah, as a spin-off from the NUS. We secured a S$0.5 million proof-of-value grant under SPRING Singapore's Technology Enterprise Commercialisation Scheme for the development of our biochip.
2010	We obtained an exclusive licence for the rights to use a certain cell trapping technology from the NUS.
2011	We raised approximately S$1.5 million through the sale of convertible bonds to several investors, including BV Healthcare II Pte. Ltd. as lead investor. BV Healthcare II Pte. Ltd. is a life science fund managed by Bioveda Capital Singapore Pte. Ltd., a venture capital firm focused exclusively on investing in healthcare companies. The convertible bonds were subsequently converted to Series A Preferred Shares.
2012	We raised approximately S$1.4 million through the sale of several convertible promissory notes to Clearbridge Accelerator Pte. Ltd.. Clearbridge Accelerator Pte. Ltd. is now known as Clearbridge Health, and is a healthcare company listed on Catalist. The convertible promissory notes were subsequently converted to Series A Preferred Shares. We launched our ClearCell® CX System(1), a manual CTC enrichment system based on the size difference between CTCs and other cells. We won all the top three awards at The Wall Street Journal's Asian Innovation Awards 2012, which recognises innovations that improve quality of life or productivity. We obtained ISO 13485:2003 accreditation for our quality management system by demonstrating our ability to provide medical devices and related services that consistently meet customer and applicable regulatory requirements.
2013	We raised approximately S$8.6 million through the issuance of Series B Redeemable Convertible Preference Shares to several investors, including Clearbridge BSA, a wholly-owned subsidiary of Clearbridge Health, SEEDS Capital, the investment arm of SPRING Singapore, and BV Healthcare II Pte. Ltd..

Year	Milestone
2014	We entered into a collaboration agreement with BGI, a genomics company based in China, to co-develop a liquid biopsy system for use in China. In collaboration with the National Cancer Centre of Singapore, we established the Circulating Tumour Cell Center of Research Excellence (CTC CoRE), in partnership with the Pathology Department of Singapore General Hospital. We raised approximately S$5.0 million through the issuance of Series B2 Redeemable Convertible Preference Shares to Trauwin Pte. Limited, a company controlled by the founder of Trauson Holdings Company Limited, a company in the medical industry in China.
2015	We obtained CE-IVD marking for our ClearCell® FX1 System, allowing us to market and sell our ClearCell® FX1 System to academic and research institutions, hospitals and laboratories in the EU. We launched our ClearCell® FX1 System, a fully automated cell enrichment system, commercially. Our ClearCell® FX1 System was sold to, among others, prominent academic and research institutions such as the University of Hong Kong, the University of Manchester and the Jackson Laboratory, an institution which has been designated as a cancer center by the US National Cancer Institute (US NCI) since 1983. We raised S$3.5 million through a convertible loan from Clearbridge BSA, SEEDS Capital, BV Healthcare II Pte. Ltd. and Trauwin Pte. Limited pursuant to the 28 September 2015 Convertible Loan Agreement.
2016	We entered into a collaboration agreement with Sysmex, one of the leading suppliers of hematology instruments (machines that analyse blood) based in Japan, for the joint development of a customised biochip specifically for Sysmex. We entered into a collaboration agreement with BGI to develop a BGI-assembled CTC enrichment system (the MGI EasyCell System) based on our ClearCell® FX1 System, and to obtain CFDA registration for such system. We raised approximately S$2.0 million through a convertible loan from Clearbridge BSA, SEEDS Capital, BV Healthcare II Pte. Ltd. and NUS Technology Holdings Pte Ltd pursuant to the 1 November 2016 Convertible Loan Agreement.
2017	We obtained US FDA Class I registration for our ClearCell® FX1 System, allowing us to market and sell our ClearCell® FX1 System to academic and research institutions, hospitals and laboratories in the US. The MGI EasyCell System received CFDA Class I registration, enabling it to be marketed and sold to academic and research institutions, hospitals and laboratories in China.

Year	Milestone
	We raised an aggregate of US$4.0 million through the issuance of convertible notes to several investors, including Mitsubishi UFJ Life Science I, Limited Partnership, a life science fund managed by Mitsubishi UFJ Capital, pursuant to the 21 March 2017 Convertible Note Agreement and the 2 June 2017 Convertible Note Agreement. We received the Innovative Biomedical Company of the Year (2nd Runner Up) award from BioSingapore.
2018	We raised approximately S$6.7 million through the issuance of Series C Investment Shares and Series C Warrants to the Series C Investors, including Professor Xie Tian, who is currently the Dean of the Department of Medical Oncology, Holistic Integrative Oncology Institute and Holistic Integrative Cancer Center of Traditional Chinese and Western Medicine in Hangzhou Normal University and a recipient of the Wu Jieping Medical Innovation Award in 2014, an award which honours top medical personnel in China, and the Prize for Scientific and Technological Innovation from the Ho Leung Ho Lee Foundation in 2016, an award that recognises scientific and technical personnel with outstanding contributions to the development of science and technology in China.

Note:

(1) The ClearCell® CX System was launched in 2012 as a "Research Use Only" device, with the intention of obtaining regulatory approvals for commercialisation in the future. However, following the launch, our Company encountered issues with the medical device's performance and concluded that it was not suitable for commercialisation. Hence, the ClearCell® CX System was discontinued in 2014.

BUSINESS OVERVIEW

We are a Singapore-based medical technology company focusing on the development of cell enrichment systems which, when combined with other analytical tests, have a wide range of applications for cancer diagnosis, prognosis, treatment selection and treatment monitoring. We aspire to impact the lives of patients through the provision of diagnostic solutions in every cancer centre worldwide.

We have developed the ClearCell® FX1 System, a fully automated IVD medical device which relies on a novel patented technology to separate and enrich cancer cells from blood. This allows users of the system to perform liquid biopsies to test for the presence of cancer cells (specifically circulating tumour cells, or CTCs) in blood samples or perform further analysis on cancer cells, providing a simple and minimally invasive alternative to tissue biopsies, which involve the surgical removal of tissue from a patient's body. This has many applications throughout the various stages of a patient's cancer journey, from cancer screening and staging to personalised treatment, and post-cancer monitoring.

We currently derive revenue from the sale of our ClearCell® FX1 System, the accompanying CTChip® FR1 biochip and other consumables to academic and research institutions, hospitals and laboratories, which use our ClearCell® FX1 System. As of the Latest Practicable Date, a total of 80 ClearCell® FX1 Systems have been installed in academic and research institutions, hospitals and laboratories across the world, including Singapore, China, Hong Kong, Japan, the US and certain EU countries.

We believe that our ClearCell® FX1 System, when coupled with other analytical tests, has the potential to serve as a platform technology for the diagnosis, prognosis, treatment selection and treatment monitoring of various types of cancers, through the development of a wide range of clinical or laboratory developed tests, which generally do not require regulatory approvals such as US FDA approval. Please refer to the section titled "Our Business – Our Business Model – Applications of Our ClearCell® FX1 System" of this Offer Document for further details.

Our ClearCell® FX1 System is regulated as a medical device and is subject to varying regulatory requirements in different jurisdictions before it can be marketed and sold. As of the Latest Practicable Date, we have obtained CE-IVD marking as well as US FDA Class I registration for our ClearCell® FX1 System, which allow us to market and sell our ClearCell® FX1 System to academic and research institutions, hospitals and laboratories in the EU and the US. Further, we have collaborated with BGI to develop a BGI-assembled CTC enrichment system (the MGI EasyCell System) based on our ClearCell® FX1 System, which has obtained CFDA Class I registration. We are also developing end-to-end diagnostic solutions which integrate our separation and enrichment technology with other analytical tests. We target to obtain the relevant registrations, which may include US FDA and CFDA registrations, for such diagnostic solutions. While we currently are unable to ascertain when such registrations will be applied for or granted, these registrations will expand the use of our ClearCell® FX1 System to be utilised in providing diagnostic tests for patients without the need for further clinical validation at each of our customers' facilities, which we expect will lead to an increase in our revenue. We believe that this will further enhance the commercial scalability of our technology and allow our medical device to be used in a greater number of hospitals and laboratories.

Background on Cancer and Liquid Biopsies

Cancer

Cancer is a class of diseases characterised by abnormal and uncontrolled cell growth.

Cancer cells contain genetic alterations compared to normal human cells. These genetic alterations include gains or losses of genetic material on specific chromosomal regions, or mutations in gene sequences, which ultimately result in detrimental cellular changes followed by cancerous or pre-cancerous conditions. Mutations in genes can give rise to aberrant proteins that do not perform their functions correctly, leading to abnormal and uncontrolled cell growth. Importantly, these genetic changes or aberrant proteins can be used as biomarkers to help guide appropriate treatment. Detecting these biomarkers, particularly those which serve as drug targets or which are indicative of responsiveness or resistance of a tumour's cells to specific therapies, helps physicians to select drugs, design treatment regimens and optimise patient care and management.

Cancer is difficult to diagnose and manage due to its heterogeneity at morphological, genetic and clinical levels. Many different tissue types can become malignant and a certain type of cancer can manifest differently in different patients. Further, even within a particular tumour, certain cancer cells may bear specific biomarkers that are absent in others.

Limitations of traditional diagnostic methods

Traditional diagnostic methods for solid tumours involve a tissue biopsy, or the surgical removal of tissue from a patient's body. The tissue sample obtained is sent to a laboratory for examination, where it is chemically stained and then examined under a microscope by a pathologist to determine the presence of cancer cells. Special staining methods may also be used to detect the amounts of certain proteins present in the tumour cells. A diagnostic report is then produced which sets out information such as whether the cancer is invasive, grade (how the cancer cells look like compared with healthy cells) and mitotic rate (how quickly cells are dividing), and the diagnosis.

This type of analysis is dependent on the availability of a recently obtained tissue sample. It may not always be possible to obtain a tissue sample, for example where a tumour is not readily accessible for biopsy or a patient's condition is such that a biopsy is not suitable. In some cases, the quality and amount of tissue obtained from a tissue biopsy may be insufficient for diagnostic testing. Moreover, a tissue biopsy is an invasive procedure and not typically performed on a recurring basis, limiting its usefulness for routine periodic patient monitoring to evaluate potential progression of the disease. As the length of time since the original biopsy or diagnosis was conducted increases, the usefulness of the original biopsy for making treatment decisions declines.

Further, cells in different parts of the same tumour can have different molecular features or properties. In a tissue biopsy, only a few thin slices of tumour tissue are evaluated. The pathologist's report only reflects the parts of the tumour that were analysed and, if the cells in other parts of the tumour have different features, such as biomarkers corresponding to specific treatments, they can be missed.

Circulating tumour cells and liquid biopsies

Circulating tumour cells, or CTCs, are cancer cells that have shed from the tumour into the bloodstream. Since CTCs are derived from the tumour, an analysis of CTCs can serve as a substitute for an analysis of the tumour. Blood samples contain CTCs shed into the bloodstream, and an analysis of the CTCs in blood samples (a liquid biopsy) may allow for a more representative assessment of the tumour as opposed to a tissue biopsy where tissue is collected from a specific part of the tumour. In this way, liquid biopsies can complement information derived from a tissue biopsy, helping to ensure that the analysis is comprehensive and not biased by tumour heterogeneity and sampling issues. Liquid biopsies can also provide critical data when a tissue biopsy is not possible or practicable.

The presence and number of CTCs present in a blood sample can be used to assess prognosis, that is, the chance of recovery from, or survival of, a disease. Since CTCs are representative of the tumour, they can also be used for biomarker analysis to help guide physicians in treatment decision-making. One of the major advantages of liquid biopsies over tissue biopsies is that liquid biopsies are minimally invasive and can be repeated to monitor tumour evolution in response to particular treatments, enabling the personalisation of treatments. For instance, after surgery and during any subsequent treatment or monitoring period of a patient, blood samples can periodically be drawn from the patient in a standard manner and analysed to evaluate a particular treatment's continuing effectiveness, as well as to detect other biomarkers, such as new genetic mutations, that may arise as a result of selection pressure by a particular treatment or by chance. Physicians can use this information to determine the treatment most likely to benefit their patients at particular times through the course of their disease and personalise treatments for each patient.

Notwithstanding the advantages of liquid biopsies, their use in cancer monitoring and management has thus far been limited due to the difficulty of isolating CTCs from other components of blood. In particular, the occurrence of CTCs in blood is extremely rare. On average, only one CTC can be found among every billion blood cells.

COMPETITIVE STRENGTHS

We believe that we have the following competitive strengths:

We have a technologically proven platform for enrichment of CTCs which can be integrated with other analytical tests for diagnosis, prognosis, treatment selection and treatment monitoring

Our technology employs label-free enrichment, which potentially leads to better understanding of disease progression and treatment effectiveness, as our technology maintains the heterogenous nature of the cancer cells in the liquid biopsy and minimises biases, as compared to technologies which use labels for enrichment. Additionally, our ClearCell® FX1 System is fully automated and can process large volumes, by virtue of its continuous flow microfluidics technology, with high yield, purity and viability of recovered CTCs. Based on these factors, we believe that we have a technologically proven CTC enrichment platform for academic and research institutions, hospitals and laboratories. In addition, our technology can be integrated with other analytical tests to develop a wide range of clinical or laboratory developed tests for diagnosis, prognosis, treatment selection and treatment monitoring.

We have strong relationships with leading academic and research institutions, laboratories and diagnostics manufacturers

Through collaborative projects, we have developed strong relationships with leading academic and research institutions which have, in turn, raised the profile of our Company and indirectly raised awareness for our products and strengthened our brand equity. Underpinning these relationships is our focus on providing the technical support that our collaborators require to meet their scientific, clinical and commercial objectives. This approach allows us to promote our technology at all levels of the organisation. Through such collaborations, we are able to keep up with the latest developments and technologies in liquid biopsies. Additionally, we believe that this makes us a natural partner for commercialisation of any products and services that our partners may have developed based on our technology.

We have also developed a number of relationships with laboratories and diagnostics manufacturers with a keen interest in CTCs and complementary analytical tests, which could potentially integrate our technology to provide integrated solutions for our customers.

We have demonstrated quality assurance capabilities

In addition to developing products, we also have in-house capabilities in quality assurance. Currently, all our medical devices undergo in-house quality control testing before they are shipped to and installed at our customers' facilities. Our quality assurance capabilities have also been recognised through our ISO 13485 certification, CE-IVD, US FDA Class I registration and CFDA Class I registration (for the MGI EasyCell System).

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategy comprises the following key elements:

Expand our clinical services applications and clinical services customer segment

We intend to develop the clinical applications of our system while enhancing the market position of our products in the "Research Use Only" customer segment. Historically, we have sold our products mainly to academic and research institutions. We intend to continue to enhance our market position within this market segment through distributors and our own direct sales teams and through the provision of technical support to our customers. Additionally, we will seek partners or customers who are interested in integrating analytical tests with our systems and undertaking the clinical validations required in their respective jurisdictions to offer a clinical diagnostic service. We believe that the clinical diagnostic services segment is significantly larger, with opportunities to work with clinical services laboratories to serve physicians and their patients.

To this end, we have entered into agreements with each of Hunan Agen Medicine Laboratory Technology Co., Ltd. and Holistic Integrative Pharmacy Institute, Hangzhou Normal University for the provision of our ClearCell® FX1 System and CTChip® FR1 biochips to them to facilitate the development of CTC diagnostic services. We are involved in selecting the analytical tests and the integration and clinical validation processes. Following the completion of clinical validation and launch of the CTC diagnostic services, we anticipate that we will continue to provide technical support, maintenance and consumables to these parties.

Advance our pipeline products

We intend to expand our product pipeline through development of new products and services through in-house development or through, among others, investments, mergers and acquisitions, joint ventures and/or strategic collaborations. Our R&D team is headed by our COO, Mr. Huang Junquan, who is supported by a team with capabilities in biology, engineering and quality assurance. One of our priorities is to develop systems that can process several patients' samples concurrently to cater to commercial laboratories with large patient sample volume, as well as analytical tests to enumerate (that is, count) cancer cells with greater accuracy. For example, we are undertaking internal projects to develop the next generation of rare cell separation products, including a solution for isolating CTCs from "whole blood" (unprocessed blood with all its components intact) and a high-throughput system that will allow for the processing of at least four blood samples at a time. Please refer to the section titled "Our Business – Research and Development – Our R&D Objectives" of this Offer Document for further details.

We also seek to develop our own diagnostic test using existing analytical tests, such as tests to identify genetic mutations within cells. We may also seek to invest, acquire, in-license or collaborate with other companies or research institutions with complementary analytical tests, which can be integrated with our technology platform and deployed in various jurisdictions, potentially through joint ventures, strategic alliances or other commercial arrangements.

Enhance our internal capabilities

We intend to enhance our internal capabilities and processes to achieve greater efficiencies and returns. We believe that as we achieve greater product sales we will have the opportunity to capitalise on economies of scale by leveraging on manufacturing technology. We intend to leverage on the funds from the SPRING Singapore Capability Development Grant that we have obtained to scale up the manufacturing of our CTChip® FR1 biochips. Additionally, we intend to enhance our procurement capabilities to achieve more cost-effective purchases of certain components that are used in the reagents that we offer to our customers.

We believe that technically skilled personnel are central to our capabilities. As such, we intend to augment our human capital policies with programmes in the areas of recruitment and selection, compensation and benefits planning, staff training and development, talent retention and succession planning, with the aim to develop and retain competent staff.

OUR BUSINESS MODEL

We have developed the ClearCell® FX1 System, a fully automated IVD medical device which relies on a novel patented technology to separate and enrich cancer cells from blood.

We currently derive revenue from the sale of our ClearCell® FX1 System, the accompanying CTChip® FR1 biochip and other consumables to academic and research institutions, hospitals and laboratories, which use our medical device.

We believe that our ClearCell® FX1 System, when coupled with other analytical tests, has the potential to serve as a platform technology for the diagnosis, prognosis, treatment selection and treatment monitoring of various types of cancers, through the development of a wide range of clinical or laboratory developed tests, which generally do not require regulatory approvals such as US FDA approval. We are also developing end-to-end diagnostic solutions which integrate our cell separation and enrichment technology with other analytical tests. We target to obtain the relevant registrations, which may include US FDA and CFDA registrations, for such diagnostic solutions. While we currently are unable to ascertain when such registrations will be applied for or granted, these registrations will expand the use of our ClearCell® FX1 System to be utilised in providing diagnostic tests for patients without the need for further clinical validation at each of our customers' facilities, which we expect will lead to an increase in our revenue. We believe that this will further enhance the commercial scalability of our technology and allow our medical device to be used in a greater number of hospitals and laboratories.

Our Products

Our products comprise the ClearCell® FX1 System, the accompanying CTChip® FR1 biochip and other consumables (including red blood cell lysis buffer, resuspension buffer and cleansing solution, each designed to be used in connection with our ClearCell® FX1 System).

ClearCell® FX1 System

Figure 1: *Our ClearCell® FX1 System.*

Our ClearCell® FX1 System is a fully automated device for cell retrieval that can separate and enrich wholly intact and viable CTCs from small amounts of blood. It is driven by our CTChip® FR1 biochip.

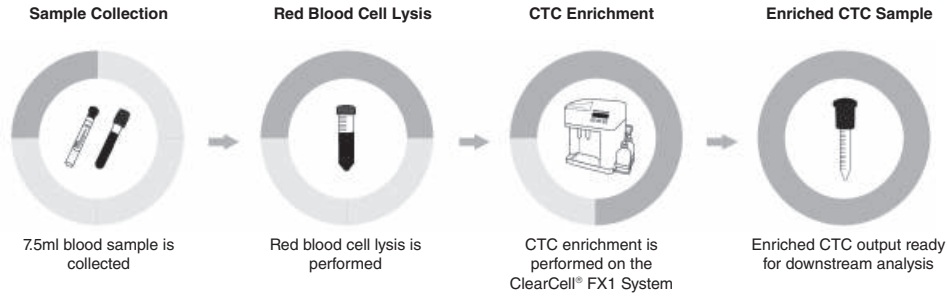


Figure 2: *Illustration of the work flow after a blood sample is obtained from a patient.*

A blood sample is obtained from a patient through a simple blood draw. We first chemically treat the blood sample to lyse (break down) and remove the red blood cells. The sample is then passed through the CTChip® FR1 biochip to isolate the CTCs from leukocytes (white blood cells).

Our ClearCell® FX1 System has been tested and validated for use with human blood samples. It is compatible with most blood collection tubes from various manufacturers. The choice of blood collection tube depends on the intended downstream application, or diagnostic test.

CTChip® FR1 Biochip

Our CTChip® FR1 biochip is a single-use microfluidic biochip that enriches CTCs based on size and response to inertial forces, through a process called Dean Flow Fractionation. When a blood sample is passed through the microfluidic channel of our CTChip® FR1 biochip, inertial lift forces and Dean flows cause differently-sized cells in the blood sample to separate and distribute themselves within channels, with the larger cells along the inner wall and the smaller cells away from the inner wall. In this way, based on difference in cell size, CTCs (which are relatively larger in diameter) can be separated from leukocytes.

The science behind our CTChip® FR1 biochip

Methods of enriching CTCs can be categorised into two broad classifications: label-based and label-free approaches. Label-free techniques rely primarily on physical characteristics, for example, size and deformability, to enrich CTCs. Label-based techniques enrich CTCs using cell surface markers, which are proteins found on the surfaces of cells that serve as markers of specific cell types. Antibodies that target these cell surface markers are linked to magnetic particles or device surfaces to enrich CTCs.

Our CTChip® FR1 biochip uses a label-free approach to enrich CTCs. It has a unique spiral design that enriches CTCs based on their size and response to inertial forces relative to other components of blood. When a blood sample is passed through the microfluidic channel of our CTChip® FR1 biochip, inertial forces dominate in larger cells, such as CTCs, while Dean drag forces act more strongly on smaller cells. Inertial forces cause the larger cells to migrate to the inner wall while smaller cells are “dragged” to the outer wall of the channel. The stream of CTCs is concentrated on the inner wall and subsequently siphoned off to derive a CTC enriched sample.

Our label-free method of enriching CTCs offers benefits over conventional methods that require antibodies to bind to CTCs. Label-based methods usually cause the CTCs to be altered or

damaged, reducing the number of viable CTCs that are enriched. In contrast, the enrichment method we use is gentle on the CTCs and the CTCs spend less than one second within our CTChip® FR1 biochip. This helps to maintain the CTCs in their original state and preserve their viability for use in diagnostic tests. In addition, our label-free method eliminates the need for a single biomarker and is able to isolate CTCs across a heterogeneous population without bias.

Applications of Our ClearCell® FX1 System

The wholly intact and viable CTCs isolated using our ClearCell® FX1 System are collected in a liquid suspension and can be transferred to various formats, such as glass slides and microtiter plates, for easy integration with routine pathology laboratory workflows. The potential downstream applications of the CTCs isolated using our ClearCell® FX1 System include the following:

- ***Immunofluorescence***

  Fluorescently-labelled antibodies specific to CTCs and leukocytes can be used to identify and enumerate CTCs or detect cancer-specific biomarkers. CTC counts provide prognostic information, particularly, the metastatic aggressiveness of the tumour. An increase in CTC counts may suggest tumour relapse after therapeutic intervention.

- ***FISH***

  CTCs isolated using our ClearCell® FX1 System can be analysed using FISH, a technique that allows pathologists to identify chromosomal abnormalities in cells, including gene translocation, amplification and deletions.

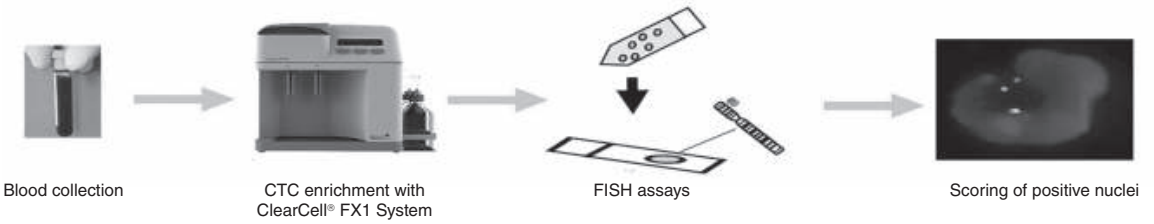


Figure 3: *Illustration of the work flow in a FISH assay.*

In a FISH assay, fluorescent probes (labelled fragments of DNA or RNA) that bind to specific nucleotide sequences in chromosomes are applied to the CTCs. The presence or absence of specific nucleotide sequences is detected by noting the location and counts of fluorescent dots after the probes have been applied.

FISH can be used to detect ALK gene rearrangement in lung cancer patients and HER2 gene amplification in breast cancer patients, in order to help physicians identify patients that are suitable for ALK and HER2 targeted drug therapies (for example, the drug Crizotinib targets ALK in lung cancer patients and the drug Trastuzumab targets HER2 in breast cancer patients).

- ***Genetic analysis***

  Gene mutations and aberrant gene expression are commonly found in cancer cells. Some cancer mutations are drug-actionable targets that can be used to select effective treatment strategies. An example would be the detection of BRAF V600E mutation in melanoma (skin cancer) patients, which can be targeted by the drug Vemurafenib.

- ***In vitro or in vivo tumour models***

  As the CTCs isolated using our ClearCell® FX1 System have high integrity and viability, they can be cultured *in vitro* for cancer R&D of novel therapeutics. In addition, CTCs can be implanted into animal models (patient-derived xenografts) that can be used to screen for suitable drugs by monitoring tumour size and spread in the host animal.

INTELLECTUAL PROPERTY

Overview

The proprietary nature of the technology, inventions and know-how which are used in the design and development of our products is important to our business. This includes technology, inventions and know-how that we have developed internally or with our partners, as well as those which we have licensed from third parties.

Our success depends on our ability to protect the proprietary nature of the technology, inventions and know-how on which we rely, to operate without infringing on the proprietary rights of others, and to prevent others from infringing our proprietary rights.

We seek to protect our proprietary rights by pursuing patent protection for our proprietary technology, inventions and know-how in the territories in which our products are marketed and sold. In addition to patents, we rely, in some circumstances, on trade secrets to protect our proprietary technology, inventions and know-how. However, trade secrets can be difficult to protect. We seek to maintain our trade secrets, as well as to obtain and maintain ownership of new inventions, in part by entering into confidentiality and invention assignment agreements with our employees and consultants, and by requiring our R&D collaborators and contract manufacturers to undertake confidentiality obligations to us.

Licence Agreements

We have entered into exclusive licence agreements with various parties for the right to use certain patented inventions and/or technologies in the design of our products. Please refer to the section titled "Our Business – Intellectual Property – Patents and Patent Applications" of this Offer Document for further details on the patents and patent applications we license.

Exclusive Licence Agreement with the University of Cincinnati

We have entered into an exclusive licence agreement with the University of Cincinnati (the "UC Licence Agreement") for a worldwide, exclusive licence to make, use, have made, import, offer for sale, and sell products which are manufactured, used or sold, in whole or in part, through the use of the invention comprised in US patent no. 8,208,138, titled "Spiral microchannel particle separators, straight microchannel particle separators, and continuous particle separator and detector systems". The licence granted to our Company under the UC Licence Agreement is limited to the following field of use: screening for, diagnosis of, or monitoring of subjects or patients for CTCs, stem cells, fetal cells and malaria cells, and the fractionation of human blood.

The term of the UC Licence Agreement is until the expiry of the last-to-expire patent comprised in the patent rights which are the subject of the UC Licence Agreement, including any patent applications based on the relevant invention, any foreign counterparts thereof, as well as all continuations, divisions and renewals thereof, all patents which may be granted thereon, and all reissues, re-examinations, extensions, patents of additions and patents of importation thereof.

Pursuant to the terms of the UC Licence Agreement, we pay the University of Cincinnati an annual licence fee for the licence granted thereunder and annual royalties (calculated as a percentage of the gross revenue derived by our Company from the sale of products which are manufactured, used or sold, in whole or in part, through the use of the relevant patented invention, less certain deductions, subject to a minimum annual royalty). We are also required to pay to the University of Cincinnati a percentage of all non-royalty income received by our Company from sub-licences granted by our Company under the UC Licence Agreement.

We may terminate the UC Licence Agreement at any time by providing six months' written notice to the University of Cincinnati. The University of Cincinnati has the sole option to (a) terminate the UC Licence Agreement; or (b) convert any exclusive licence under the UC Licence Agreement to a non-exclusive licence, in the event that we are in default of any of our material obligations under the UC Licence Agreement and the default is not cured prior to the expiration of 30 days following receipt of a written notice from the University of Cincinnati. The University of Cincinnati may also terminate the UC Licence Agreement immediately upon giving us written notice if we become insolvent, make an assignment for the benefit of creditors (other than for the sole purpose of a scheme for a solvent amalgamation or reconstruction), or have a petition in bankruptcy filed for or against us.

Exclusive Licence Agreements with the NUS

We have entered into two separate exclusive licence agreements with the NUS (collectively, the "NUS Licence Agreements", and each, an "NUS Licence Agreement") for worldwide, exclusive licences to, among others, develop, make, have made, import, export, use, offer for sale and sell products, components, processes or services relating to or based on the inventions comprised in the family of patents and patent applications titled "Microfluidics sorter for cell detection and isolation" and in the family of patents and patent applications titled "Micro-fluidic device and uses thereof", respectively. The licences granted to our Company under the NUS Licence Agreements are each limited to the following field of use: applications in the fractionation of blood into different components for clinical and research use, except for the use of the technology (or devices) specifically for pathogen detection from blood.

The NUS and MIT are the joint legal and beneficial owners of the relevant inventions. MIT had authorised the NUS to act as its agent for the purposes of licensing its rights in the relevant inventions and to enter into the licence agreements on its behalf.

The term of each NUS Licence Agreement is until the expiry of the last-to-expire patent comprised in the patent rights which are the subject of that NUS Licence Agreement, including rights in all patents and patent applications granted, filed or to be filed in respect of all technical information, know-how, manufacturing techniques, formulae, data and designs and other information in relation to the relevant invention.

Pursuant to the terms of each NUS Licence Agreement, we pay the NUS annual royalties (calculated as a percentage of the amount billed, invoiced or received by our Company for the sale, lease or any other transfer of products, components, processes or services relating to, or based on, the relevant patented invention, subject to a minimum annual royalty). We are further required to pay to the NUS annual royalties on all revenue payable to our Company by a sub-licensee in consideration of sub-licences granted by our Company under each NUS Licence Agreement. In addition, during the term of each NUS Licence Agreement, we are required to make one-time milestone payments to the NUS of S$10,000 upon the sub-licensing of patent rights which are the subject of the relevant agreement and S$20,000 upon our achievement of a certain net sales amount. Such milestone payments are payable to the NUS upon our achievement of the above milestones.

We may terminate each NUS Licence Agreement by giving 90 days' advance written notice of termination to the NUS. The NUS may terminate each NUS Licence Agreement in certain circumstances. Such circumstances include (a) if we fail to perform any of our obligations under the relevant agreement and, if in the reasonable opinion of the NUS such default is capable of remedy, fail to remedy such default within 30 days after written notice of such default has been given to us by the NUS, (b) if we fail to make payment for patent costs, (c) if we cease to carry on our business, and (d) if we become insolvent or are unable to pay our debts as they fall due.

Patents and Patent Applications

As of the Latest Practicable Date, our patent portfolio comprises 12 issued patents and 22 pending patent applications related to our ClearCell® FX1 System and CTChip® FR1 biochip. These include both patents and patent applications which we own and those which we license. We aim to maintain and build our patent portfolio through filing new patent applications and licensing additional patents and patent applications.

Patents are territorially limited. In order to protect an invention in multiple countries, an applicant can file separate patent applications at the same time in all of the countries in which it would like to protect its invention. More commonly, an applicant wishing to protect its invention in multiple countries would file an international patent application under the PCT, which is a single application that provides a filing date that is recognised by all the contracting states of the PCT, for the purposes of claiming priority. However, no patent can be granted directly from a PCT application, and a PCT applicant will still have to pursue the grant of patents directly with the relevant national (or regional) patent offices.

Our Patent Portfolio

Details of the patents we own are set out below:

Patent Family	Territory	Patent No.	Expiry Date of Patent
An interface for packaging a microfluidic device	China	ZL 201320640193.8	16 October 2023
Microfluidics sorter for cell detection and isolation	Japan	JP 6314220	16 October 2033

Details of the patent applications we have filed are set out below:

Patent Family	Territory	Patent Application No.	Patent Application Publication No.(1)
Microfluidics sorter for cell detection and isolation	PCT	PCT/SG2013/000442	WO 2015/057159
	Australia	AU 2013403343	–
	China	CN 201380080249.1	CN 105683750
	EPO	EP 13895623.0	EP 3058365
	Singapore	SG 11201602779T	–
	US	US 15/029,627	US 2016/0303565
Multi-stage target cell enrichment using a microfluidic device	PCT	PCT/SG2016/050040	WO 2017/131580
	Australia	AU 2016389767	–
	China	CN 201680079601.3	CN 108495809
	EPO	EP 16888339.5	–
	Japan	JP 2018-533164	–
	Singapore	SG 11201805697W	–
	US	US 16/071,146	–
Systems and methods for enriching target cells in a sample	PCT	PCT/SG2016/050205	WO 2017/192098

Note:

(1) A patent application publication is a patent application which has been published, such that its contents become public information. Prior to publication, a patent application is confidential to the patent office. A patent application publication is not a granted patent.

Details of the patents we license are set out below:

Licensor(s)	Patent Family	Territory	Patent No.	Field of Use	Duration of Licence	Expiry Date of Patent
University of Cincinnati	Spiral microchannel particle separators, straight microchannel particle separators, and continuous particle separator and detector systems	US	8,208,138	Screening for, diagnosis of, or monitoring of subjects or patients for CTCs, stem cells, fetal cells and malaria cells, and the fractionation of human blood	Until the expiry of the patent	24 September 2029
NUS and MIT	Microfluidics sorter for cell detection and isolation	Australia	AU 2011222582	Applications in the fractionation of blood into different components for clinical and research use, except for the use of the technology (or devices) specifically for pathogen detection from blood	Until the expiry of the last-to-expire patent	4 March 2031
		Japan	JP 5840627			4 March 2031
		Japan	JP 6138874(1)			4 March 2031
		Singapore	SG 10201501485Q			4 March 2031
		US	US 9,458,489			4 March 2031
NUS and MIT	Micro-fluidic device and uses thereof	Australia	AU 2013318647	Applications in the fractionation of blood into different components for clinical and research use, except for the use of the technology (or devices) specifically for pathogen detection from blood	Until the expiry of the last-to-expire patent	20 September 2033
		Japan	JP 6265508			20 September 2033
		Singapore	SG 11201501837T			20 September 2033
		US	US 9,789,485			20 September 2033

Note:

(1) This patent was granted pursuant to a divisional patent application. Generally, when a patent application is found by the relevant patent office to contain more than one invention, the relevant patent office may require the patent application to be split into one or more divisional applications, each claiming only a single invention.

Details of the patent applications we license are set out below:

Licensor(s)	Patent Family	Territory	Patent Application No.	Patent Application Publication No.(1)	Field of Use	Duration of Licence
NUS and MIT	Microfluidics sorter for cell detection and isolation	PCT	PCT/US2011/027276	WO 2011/109762	Applications in the fractionation of blood into different components for clinical and research use, except for the use of the technology (or devices) specifically for pathogen detection from blood	Until the expiry of the last-to-expire patent
		China	CN 201180022034.5	CN 102884170		
		EPO	EP 11751463.8	EP 2542661		
NUS and MIT	Micro-fluidic device and uses thereof	PCT	PCT/SG2013/000412	WO 2014/046621	Applications in the fractionation of blood into different components for clinical and research use, except for the use of the technology (or devices) specifically for pathogen detection from blood	Until the expiry of the last-to-expire patent
		China	CN 201380060350.0	CN 104797340		
		EPO	EP 13838795.6	EP 2897730		

Note:

(1) A patent application publication is a patent application which has been published, such that its contents become public information. Prior to publication, a patent application is confidential to the patent office. A patent application publication is not a granted patent.

Registered Designs

A registered design protects the external appearance of an article or non-physical product, including features such as shape and configuration. The owner of a registered design has the right to control its use and prevent others from using the design.

Details of the designs we have registered are set out below:

Registered Design	Territory	Registration No.	Expiry Date of Registered Design
A package for a microfluidic device	Singapore	D2013/1350/E	16 October 2023

Trade Marks

We market our products under certain registered trade marks. Details of the trade marks we have registered are set out below:

Trade Mark	Territory	Registration No.	Trade Mark Class	Expiry Date of Trade Mark
"ClearCell"	EU	010599521	9(1); 10(2)	30 January 2022
	Japan	5545682	9(3); 10(2)	21 December 2022
	South Korea	40-1005106	9(4); 10(5)	4 November 2023
	Singapore	T1110637C	9(1); 10(2)	3 August 2021
	US	4,294,265	9(6); 10(7)	26 February 2023
"CTChip"	Singapore	T1102097E	10(8)	22 February 2021
	US	4,184,988	10(9)	7 August 2022

Notes:

(1) Instruments for scientific use in treatment of samples before analysis; detecting apparatus for scientific laboratory use; blood cell separation and analysing apparatus (other than for medical use); cell counting units for laboratory use; cases adapted for cells; specimen collection devices (containers) for samples extracted from the body (for laboratory use); computer programs for scientific data analysis; computer imaging systems and computer programs for image processing; fluid sampling apparatus (other than for medical use); automated analysers for body fluids (other than for medical use); apparatus for measuring body fluids (other than for medical use).

(2) Medical devices; detection apparatus for medical use; apparatus for blood tests, analysis and monitoring (for medical use); blood cell separation and analysing apparatus for medical use; apparatus for medical cell sampling; blood filtration and filtering apparatus; cell counting units for medical use; cell culture apparatus for medical use; filtering apparatus and automated analysers for body fluids (for medical use); implantable devices for medical use in measuring the composition of body fluids; meters for body fluids; medical infusion pumps; blood extraction devices; test and screening devices for medical purposes; medical diagnostic testing apparatus for cancer detection; diagnostic imaging apparatus for medical use; apparatus for analysing images (for medical use); specimen collection devices for medical use in extracting samples from the body.

(3) Instruments for scientific use in treatment of samples before analysis; detecting apparatus for scientific laboratory use; blood cell separation and analysing apparatus (other than for medical use); cell counting units for laboratory use; cases adapted for cells; specimen collection devices (containers) for samples extracted from the body (for laboratory use); fluid sampling apparatus (other than for medical use); automated analysers for body fluids (other than for medical use); apparatus for measuring body fluids (other than for medical use); detectors [electric or magnetic meters and testers]; detectors [measuring or testing machines and instruments]; blood cell collection and processing apparatus for laboratory use; cell incubators; laboratory apparatus and instruments; photographic machines and apparatus, optical apparatus and instruments; measuring or testing machines and instruments; electric or magnetic meters and testers.

(4) Instruments for scientific use in treatment of samples before analysis; detecting apparatus for scientific laboratory use; blood cell separation and analysing apparatus (other than for medical use); specimen collection devices (containers) for samples extracted from the body (for laboratory use); computer programs for scientific data analysis; computer software for processing images and computer programs for image processing; fluid sampling apparatus (other than for medical use); automated analysers for body fluids (other than for medical use); apparatus for measuring body fluids (other than for medical use).

(5) Diagnostic apparatus for medical purposes; detection apparatus for medical use; apparatus for blood tests, analysis and monitoring (for medical use); blood cell separation and analysing apparatus for medical use; blood filtration and filtering apparatus; filtering apparatus and automated analysers for body fluids (for medical use); implantable devices for medical use in measuring the composition of body fluids; meters for body fluids; medical infusion pumps; blood extraction devices; test and screening devices for medical purposes; medical diagnostic testing apparatus for cancer detection; diagnostic imaging apparatus for medical use; apparatus for analysing images (for medical use); specimen collection devices for medical use in extracting samples from the body.

(6) Instruments for the scientific use in treatment of samples before analysis, namely, instruments for detecting and isolating intact circulating tumour cells and other rare cells from small quantities of blood, instruments for straining samples for identification, instruments for retrieving samples for molecular analysis, automated laboratory equipment for cutting samples; detecting apparatus for detecting containments and rare cells for scientific laboratory use; blood cell separation and analysing apparatus, other than for medical use; cell counting units for medical use; cases adapted for cells, namely, cell culture plates and bio-chips used for cell cultures and examination, transportation case for cells; specimen collection containers for samples extracted from the body for laboratory use; computer programs for scientific data analysis; computer imaging systems comprising of scanners, digital video recorders and printers; computer programs for image processing; fluid sampling apparatus, namely, medical fluid injectors, fluid handling device used for disposable bioprocessing applications and parts and fittings therefor; automated analyses for body fluids, other than for medical use, namely, automatic fluid-composition control machines and instruments, clinical laboratory analysers for measuring, testing and analysing blood and other bodily fluids or cells; apparatus for measuring body fluids, namely, measuring couplings for measuring temperature, pressure, quantity and concentration of fluids in hydraulic or pneumatic systems, rheometers for measuring the viscosity and viscoelasticity of fluids.

(7) Medical devices for diagnosis of rare cells, medical devices for infusion of fluids and medicine and injection devices for administering drugs, medical cutting devices, medical device for detecting cancer, medical device for treating cancer; medical devices, namely, ultra-sound imaging apparatus, scanners and needle guides, and parts and fittings therefor; medical devices for monitoring blood properties; medical devices for obtaining body fluid samples; medical devices, namely, sample preparation device for medical diagnostic uses; detection apparatus for medical use, namely, medical diagnostic apparatus for detecting cancer or rare cells, flow cytometers and flow-based analysers providing cell and particle detection, for medical use; apparatus for blood tests, analysis and monitoring for medical use, namely, blood testing apparatus, namely, blood collecting tubes, blood testing apparatus, namely, blood sampling tubes, blood component separation apparatus for medical purposes, apparatus for blood analysis, filters for blood and blood components, medical devices for monitoring blood properties; blood cell separation and analysing apparatus for medical use; apparatus for medical cell sampling, namely, cell culture chambers for cell sampling; medical apparatus, namely, tubing and syringes assembly set and electromechanical fluidic instrument, and other similar or related devices, which enable blood cells sampling; blood filtration and filtering apparatus; cell counting units for medical use, namely, cell culture chambers, flow cytometers and flow-based analysers providing cell counting for medical use, single-cell analyses; cell culture apparatus for medical use, namely, cell culture chambers, cell plates and wells; filtering apparatus and automated analysers for body fluids for medical use, namely, medical filters for blood and blood components, automated medical diagnostic instruments for the analysis of body fluids; implantable devices for medical use in measuring the composition body fluids; meters for body fluids, namely, medical diagnostic instruments for measuring body fluids; medical infusion pumps; blood extraction devices; test and screening devices for medical purposes, namely, cancer diagnostics, cardiovascular diagnostics, fetal cell diagnostics, infectious disease diagnostics, and for the screening thereof; medical diagnostic testing apparatus for cancer detection; diagnostic imaging apparatus for medical use; apparatus for analysing images for medical use, namely, medical image processors, cell counting and staining devices; specimen collection devices for medical use in extracting samples from the body.

(8) Detection apparatus for medical use; apparatus for blood tests, analysis and monitoring (for medical use); blood cell separation and analysing apparatus for medical use; apparatus for medical cell sampling; blood filtration and filtering apparatus; cell counting units for medical use; cell culture apparatus for medical use; filtering apparatus and automated analysers for body fluids (for medical use); implantable devices for medical use in measuring the composition of body fluids; meters for body fluids.

(9) Detection apparatus for medical use, namely, medical apparatus for detecting cancer, medical apparatus for the detection of circulating tumour cells from blood; blood testing apparatus, apparatus for blood analysis, blood pressure monitors for medical use; blood component separation apparatus for medical purposes, cytometers for medical diagnostic use, namely, for blood cell analysis; cell culture apparatus for medical use, namely, cell culture chambers for cell sampling; blood filtration and filtering apparatus; cell counting units for medical use in the nature of cell culture chambers; medical blood filters and blood analysis apparatus; implantable devices for medical use in measuring the composition of body fluids; meters in the nature of medical diagnostic instruments for measuring body fluids.

Details of the trade mark applications we have filed are set out below:

Trade Mark	Territory	Trade Mark Application No.	Trade Mark Class
BIOLIDICS	Singapore	40201822407U	9(1); 10(2); 42(3)
	China	Application number pending	9(1); 10(2); 42(3)
明测 明測	Singapore	40201822408X	9(1); 10(2); 42(3)
明测	China	Application number pending	9(1); 10(2); 42(3)

Notes:

(1) Scientific, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; data processing equipment; computers; computer software; biochips; biochip sensors; microfluidic biochips; software for use in medical diagnosis, oncology, clinical stage oncology, diagnostics and biomedical research; computer interfaces for clinical use; chips arrays and sensors using DNA, genetic and other biological and diagnostic materials [scientific apparatus and instruments]; diagnostic apparatus for scientific use; scientific apparatus for diagnostic testing of biological samples; scientific apparatus for use in diagnostic applications; ultrasonic diagnostic apparatus for laboratory use; ultrasonic diagnostic instruments for laboratory use; downloadable electronic publications; electronic and recorded multimedia publications.

(2) Surgical, medical, dental and veterinary apparatus and instruments; apparatus for carrying-out diagnostic tests for medical purposes; medical diagnostic apparatus; medical diagnostic apparatus for use in liquid biopsy analysis; medical diagnostic instruments; medical electronic diagnostic apparatus; gamma instruments for measuring human cell attenuation for medical diagnostic purposes; diagnostic measuring apparatus for medical use; diagnostic imaging apparatus for medical use; apparatus for medical analysis; biopsy apparatus; ultrasonic testing apparatus for medical use; testing apparatus for medical diagnostic purposes; testing instruments for medical diagnostic purposes; sensors for medical use; ultrasonic sensors for medical use; temperature sensors for medical use; precision sensors for medical use; electrodes for use with medical apparatus; electrodes for picking up biological parameters.

(3) Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; design and development of computer software for use with medical technology; design and development of medical technology; design and development of new technology for others; research; technological research; clinical stage oncology research; technical project studies; scientific testing services; research, testing, development and industrial analysis services, all relating to the field of science, technology, engineering, oncology, clinical stage oncology, diagnostics and biomedicine; scientific, technical and engineering design and development, all relating to the field of science, technology, engineering, oncology, clinical stage oncology, diagnostics and biomedicine; computer aided diagnostic testing services; design and development of testing and analysis methods; design and development of medical diagnostic apparatus; design and development of microfluidic devices and apparatus; design planning of medical equipment; research and development in the field of diagnostic preparations; research and development in the field of microfluidics; provision of laboratory testing and analysis services using genomics technologies for medical diagnostics and clinical trials; consultancy in the field of technological research; preparation of technological research reports; providing information, including online, about scientific and technological services and research and design relating thereto; conducting clinical trials; providing medical and scientific research information in the field of oncology, clinical stage oncology, diagnostics and clinical trials; technological consultancy, research, advisory and information services relating to the exploitation of technology; preparation of technical reports; electronic storage of data; provision of information and data relating to medical and veterinary research and development; design and development of systems for data input, output, processing, display and storage; computer programming; installation and maintenance of computer software; updating of computer software; computer system design and computer systems analysis; provision of information, advisory and consultancy services in respect of all of the aforesaid services.

RESEARCH AND DEVELOPMENT

Our R&D team comprises a team of 12, led by our COO, Mr. Huang Junquan. We undertake R&D in our R&D facility in Singapore. We also partner with leading academic and research institutions and clinicians to conduct R&D activities and to undertake clinical studies and investigations of our products.

We recorded R&D expenses of approximately S$1.5 million in FY2015, S$2.3 million in FY2016, S$1.0 million in FY2017 and S$0.5 million in HY2018, representing 192.0%, 117.7%, 47.7% and 84.7%, respectively, of our Company's revenue in each of those periods. We do not have a policy of committing any fixed amount to R&D activities.

Our R&D Objectives

We focus our R&D efforts on three key objectives:

- ***Continuous improvement of our ClearCell® FX1 System and CTChip® FR1 biochip***

  We support the product development of our ClearCell® FX1 System by addressing any issues that may be discovered during clinical testing. We also develop methods and measures to reduce our manufacturing costs and to scale up production.

- ***Development of next-generation products***

  We undertake internal projects to develop the next generation of rare cell separation products, including a solution for isolating CTCs from "whole blood" (unprocessed blood with all its components intact) and a high-throughput system that will allow for the processing of at least four blood samples at a time.

  We also actively engage with external parties on development projects funded by these parties, with the aim of partnering with major diagnostic companies to introduce new IVD products or sub-licensing our technology and know-how to clients in exchange for royalties.

- ***Development of diagnostic tests for the analysis of CTCs after enrichment with our ClearCell® FX1 System***

  We undertake R&D of diagnostic tests for the analysis of CTCs enriched using our ClearCell® FX1 System. This enables us to develop detailed protocols that can be shared with customers in the form of application notes to support our sales and marketing activities.

  We also partner with major life science or biotechnology companies to demonstrate how our ClearCell® FX1 System can be integrated with their kits or instruments. The data generated is usually presented at scientific meetings as well as used for co-marketing our ClearCell® FX1 System with the products of our partners.

Our Research Collaborations and Clinical Partnerships

We have, from time to time, established research collaborations and clinical partnerships with academic and research institutions, hospitals, laboratories and diagnostics manufacturers for, among others, the development of analytical tests which integrate our cell separation and enrichment technology with the relevant research collaboration partners' proprietary technologies or platform, and the development of end-to-end diagnostic solutions which integrate our cell separation and enrichment technology with other analytical tests.

Sysmex

We have entered into a collaboration agreement with Sysmex for the joint development of a customised biochip for whole blood circulating abnormal cell enrichment, designed specifically for Sysmex to meet Sysmex's requirements and specifications. This customised biochip will enable further diagnostic analyte detection on Sysmex's existing flow-based imaging system as the first focus. Our obligations pursuant to the agreement include the following: (a) to provide the design and development services for the custom biochip; (b) to verify the performance of said biochip using control samples and document the results; and (c) to transfer the biochip design and provide technical assistance for the running of the biochip to Sysmex. Pursuant to the terms of this agreement, Sysmex will pay us a project fee in instalments, which may be revised according to any changes made to the agreed design or specification of the biochip.

This agreement will remain in force until the earlier of 31 December 2018 or the execution of a joint development agreement between our Company and Sysmex.

We are currently in discussions with Sysmex with regard to the renewal of this agreement.

National Cancer Centre of Singapore

We have entered into a research collaboration agreement with National Cancer Centre of Singapore to: (a) study the sensitivity and specificity of our ClearCell® FX1 System to enrich, isolate and capture CTCs from specific cancer types, namely non-small cell lung cancer, breast cancer, liver cancer and prostate cancer; and (b) evaluate the feasibility of performing next-generation sequencing (or high-throughput DNA sequencing) on the CTCs isolated using our ClearCell® FX1 System. Next-generation sequencing may help to unravel the heterogeneity of the mutational landscape of non-small cell lung cancer, which may in turn help physicians personalise therapies for each patient.

The current term of this agreement expires on 31 December 2018. This agreement may be terminated in certain circumstances. Such circumstances include (a) a material breach of any term of the agreement, (b) if one party is unable to pay its debts when due, an order of court is made for its winding up or judicial management, or it ceases, or threatens to cease, to carry on business or becomes insolvent, and (c) upon advance notice by a party whose scientific representative is unable to continue to serve and whose successor has been identified, but whom is not approved by the other party acting reasonably.

We are currently in discussions with National Cancer Centre of Singapore with regard to the renewal of this agreement.

Hospices Civils de Lyon

We have entered into a collaboration agreement with Hospices Civils de Lyon, a public health institution in France specialising in the fields of biochemistry and molecular biology, to pool expertise to improve knowledge and technologies in the field of CTC identification. Pursuant to this collaboration agreement, we have entered into a separate agreement with Hospices Civils de Lyon to collaborate on the development and validation of an analytical test that uses immunofluorescence staining to enumerate CTCs in non-small cell lung cancer enriched using our ClearCell® FX1 System.

The current term of this collaboration agreement expires on 31 December 2020. We have the option to terminate this agreement immediately if the professor, in the role of scientific manager, conducting the research programme at Hospices Civils de Lyon becomes unable or unwilling to continue. This agreement may also be terminated upon breach of any of the terms of the agreement, which the breaching party fails to remedy after receipt of written notice from the non-breaching party.

PRODUCT DEVELOPMENT AND MANUFACTURING

Product Development

In compliance with the requirements of ISO 13485:2016, our product development process comprises the following stages:

- ***Determining user requirements***

  We conduct market research and seek customer feedback to understand the product needs of our customers. Using the information gathered, and taking into account factors such as clinical utility, technical limitations and regulatory limitations, we generate a list of objectives that we want our new product or product feature to achieve. Our research and innovation, product development and commercial teams will agree upon and define the general performance standards required. An overall product plan is drafted and submitted for management review.

- ***Determining product requirements***

  Product specifications, or requirements, are drafted based on the product objectives identified. Our product development and quality assurance teams, which have relevant expertise pertaining to available process and product component technologies, are heavily involved in this design stage. Each product specification corresponds to a product objective, and there can be multiple product specifications to address a single product objective.

- ***Developing prototypes***

  Our product development team sources for components that satisfy the product specifications and develops prototypes of the new product. Depending on the outcome of this exercise, product specifications may be tightened or relaxed. The best prototype will be selected and a set of product specifications will be developed based on this prototype.

- ***Design verification***

  The design undergoes rigorous design verification testing, whereby the product's safety and performance will be evaluated in order to ensure that the design meets the product specifications. Product components may also be individually tested for inherent performance capabilities, which may involve mechanical, electronic, biological, chemical or software verification test procedures.

- ***Design validation***

  The product is tested under simulated use conditions by using contrived samples (that is, substitutes for actual samples). Validation runs may also involve the use of clinical samples. We may also send the product for external validation through a limited product release to selected R&D collaborators, which will then use the product as per its intended use. Such an in-field pilot exercise allows products to be exposed to various uncontrolled user environments and provides valuable in-field performance data for future product improvements.

- ***Production process validation***

  The final product design is sent to contract manufacturers. The production processes, inspection criteria, equipment and necessary training required for the manufacture of the product are agreed upon between us and the contract manufacturers. A complete design master record, containing component and product specifications, assembly work instructions, and instructions relating to product packaging and labelling, is finalised.

- ***Clinical study partnerships***

  After ensuring that all design controls and manufacturing and regulatory requirements have been met, we may loan or sell the product to our clinical partners for clinical studies and investigations. Feedback from these partners is used for developing future product improvements.

Manufacturing

We outsource the manufacturing and assembly of our ClearCell® FX1 System and CTChip® FR1 biochip to third party contract manufacturers based in Singapore, which manufacture, assemble and sell to us finished ClearCell® FX1 Systems and CTChip® FR1 biochips according to specifications set by us. Under the terms of our agreements with our third party contract manufacturers, these contract manufacturers are generally subject to certain obligations not to compete with our business and products, as well as confidentiality obligations in respect of our confidential or proprietary information.

QUALITY ASSURANCE

We believe that the quality of our products is key to our growth and success.

We have implemented a quality management system that has been assessed and certified as meeting the requirements of ISO 13485:2016, an international quality management standard for organisations that provide medical devices and related services. Some aspects of our quality management system include logging feedback, investigation of non-conforming products, and establishing relevant corrective and preventive actions. We have also put in place procedures for the control of records and documents, resource management, product realisation and the monitoring of processes.

We conduct semi-annual internal audits and engage external auditors to conduct annual audits of our quality management system to assess its compliance with the requirements of ISO 13485:2016. We also undertake annual audits of our contract manufacturers to ensure their compliance with these standards.

INVENTORY MANAGEMENT

Our inventory comprises mainly our finished goods, such as our ClearCell® FX1 Systems, CTChip® FR1 biochips, reagent constituents and consumables designed for use in connection with our ClearCell® FX1 System, as well as spare parts of our ClearCell® FX1 System needed for our product development and improvement process and for servicing purposes. We typically keep three months' stock for our finished goods and spare parts. Inventory levels are determined based on our operational requirements and estimated customer demand and we conduct stock-takes on a monthly basis.

Our average inventory turnover for the Period Under Review was as follows:

	FY2015	FY2016	FY2017	HY2018
Average inventory turnover (days)[(1)]	207	148	213	525

Note:

(1) For FY2015, FY2016 and FY2017, average inventory turnover (days) = (average inventory balance/inventories used net of change in inventories) x 365 days. For HY2018, average inventory turnover (days) = (average inventory balance/inventories used net of change in inventories) x 181 days.

Our average inventory turnover was higher in FY2015 as compared to FY2016 as more ClearCell® FX1 Systems were produced in FY2015 for the purpose of placing them with our research collaboration partners in FY2016. Our average inventory turnover decreased in FY2016 as a result of these placements and the reclassification of placed ClearCell® FX1 Systems as fixed assets.

From FY2016 to FY2017, our average inventory turnover increased as more ClearCell® FX1 Systems were produced in anticipation of expanded business activities with the appointment of additional distributors in late FY2017.

Our average inventory turnover was higher in HY2018 due to the stock up of spare parts in FY2017 for servicing purposes and as more ClearCell® FX1 Systems were produced in FY2017, in anticipation of expanded business activities in the second half of FY2018 with the appointment of additional distributors in late FY2017.

SALES AND MARKETING

Our commercial team, which consists of our sales and marketing team and our applications team, comprises a team of six led by our Director of Global Sales Channel Partners. Our sales and marketing team is responsible for liaising with our distributors and promoting and selling our ClearCell® FX1 System, CTChip® FR1 biochip and related consumables in Singapore, China and the US, while our applications team comprises two specialists who teach our customers how to use our ClearCell® FX1 System and assist with ongoing technical assistance.

As part of our sales and marketing strategy, we regularly participate in major cancer trade shows in China, Europe and the US. Examples of trade shows in which we have participated in the past include the annual conference organised by the Chinese Society of Clinical Oncology in Xiamen, China in 2017, the annual conference organised by the Association for Molecular Pathology held in Salt Lake City, Utah, the US in 2017, the International Symposium on Advances in Circulating Tumour Cells held in Rhodes, Greece in 2018 and the International Symposium on Minimal Residual Cancer held in Montpellier, France in 2018.

We also partner with an international network of distributors to market and sell our ClearCell® FX1 System, CTChip® FR1 biochip and related consumables. As of the Latest Practicable Date, we have appointed 18 distributors which market and sell our products in 36 countries spanning the Asia Pacific region, China and Europe. Our distributors may be appointed on an exclusive or non-exclusive basis within the relevant territory. Our distributorship agreements with our distributors are generally not for a fixed term or automatically renew on a year-to-year basis until terminated.

In addition, we have from time to time in the past entered, and may from time to time in the future enter, into co-marketing agreements with certain of our research collaboration partners, for the purpose of beta testing and, following successful beta testing, co-marketing analytical tests which integrate our cell separation and enrichment technology with the relevant research collaboration partner's proprietary technologies or platforms.

MAJOR CUSTOMERS

The table below sets out the customers which accounted for 5.0% or more of our total revenue, respectively, for the Period Under Review:

	Percentage Contribution to Total Revenue (%)			
Customer	**FY2015**	**FY2016**	**FY2017**	**HY2018**
Sysmex[(1)]	0.2	55.7	48.5	33.5
Scrum Inc.[(2)]	21.1	2.7	6.0	4.9
Prometheus Biomedics Co., Ltd[(3)]	7.5	–	–	–
MGI Wuhan[(4)]	–	10.7	12.2	–
Yikon Genomics[(5)]	–	8.5	0.6	–
Oncoseek Limited[(6)]	21.8	0.3	0.3	1.6
The University of Hong Kong[(7)]	12.6	2.1	8.4	1.7
University of Zurich[(7)]	12.2	1.0	4.3	–
Changzhou Flon Biotech Co., Ltd[(8)]	7.1	1.9	0.6	–
University of Manchester[(7)]	8.3	0.7	0.2	–
Cellthera Pharm LLC[(7)]	–	6.6	–	–
The Jackson Laboratory[(7)]	0.9	5.8	–	–
Trinity College Dublin[(7)]	–	–	–	14.5
Axon Lab AG[(9)]	–	–	–	15.9
Alamed LLC[(10)]	–	–	–	9.0

Notes:

(1) We entered into a collaboration agreement with Sysmex, one of the leading suppliers of hematology instruments (machines that analyse blood) based in Japan, for the joint development of a customised biochip specifically for Sysmex in FY2016. The milestones and deliverables under the collaboration agreement were fulfilled in FY2016 and FY2017 and we recognised project revenue in accordance with services rendered. We also derived product revenue in FY2016 and FY2017 as Sysmex purchased our ClearCell® FX1 Systems and accompanying consumables in connection with this collaboration.

(2) Scrum Inc. is a distributor of our ClearCell® FX1 Systems in Japan. The lower percentage contribution to total revenue of Scrum Inc. in FY2016 and FY2017 as compared to FY2015 was mainly due to fewer ClearCell® FX1 Systems distributed.

(3) Prometheus Biomedics Co., Ltd was a short-term distributor of our ClearCell® FX1 Systems in China and ceased to be our distributor after FY2015.

(4) We entered into a collaboration agreement with MGI Wuhan to collaboratively develop a BGI-assembled CTC enrichment system (the MGI EasyCell System) based on our ClearCell® FX1 System. Pursuant to the agreement, we supplied our ClearCell® FX1 System and accompanying consumables to MGI Wuhan for the latter to develop the MGI EasyCell System. The term of the agreement was from March 2016 to March 2018. We derived product revenue in FY2016 and FY2017 as MGI Wuhan purchased our ClearCell® FX1 Systems and accompanying consumables in connection with this collaboration.

(5) We entered into a collaboration agreement with Yikon Genomics to jointly develop a CTC diagnostic test in FY2016. The collaboration was to test the compatibility of our ClearCell® FX1 System with the CTC enrichment and single cell sequencing platform named "MALBAC-NGS" from Yikon Genomics. The term of the agreement was from January 2016 to March 2016. We derived product revenue in FY2016 and FY2017 as Yikon Genomics purchased our ClearCell® FX1 Systems and accompanying consumables in connection with this collaboration.

(6) Oncoseek Limited is a service laboratory which purchased our ClearCell® FX1 Systems in FY2015 for their laboratory test offerings.

(7) These customers are academic and research institutions and organisations, and demand for our products from these customers depends largely on their research needs at any particular time.

(8) Changzhou Flon Biotech Co., Ltd, a company that specialises in the development, manufacture and sale of IVD products, purchased our ClearCell® FX1 Systems in FY2015 for R&D purposes. Changzhou Flon Biotech Co., Ltd is owned by Qian Xiaojin (who is treated as having an interest in the Shares held by Trauwin Pte. Limited) and his family.

(9) Axon Lab AG was appointed as a distributor of our ClearCell® FX1 Systems in several European countries in the fourth quarter of FY2017.

(10) Alamed LLC was appointed as a distributor of our ClearCell® FX1 Systems in Russia in the third quarter of FY2017.

Save as disclosed above, as of the Latest Practicable Date, none of our Directors, Substantial Shareholders and their respective associates has any interest, direct or indirect, in any of the above major customers.

To the best of their knowledge, as of the Latest Practicable Date, our Directors are of the view that our business and profitability are not materially dependent on any of the above major customers.

MAJOR SUPPLIERS

The table below sets out the suppliers which accounted for 5.0% or more of our total cost of sales for the Period Under Review.

		Percentage Contribution to Total Cost of Sales (%)			
Supplier	**Products/Services Supplied**	**FY2015**	**FY2016**	**FY2017**	**HY2018**
Racer Technology Pte Ltd[(1)]	ClearCell® FX1 System, CTChip® FR1 biochip and spare parts	76.8	58.6	69.9	30.1
Hybrionic[(2)(3)]	Certain components of CTChip® FR1 biochip	9.9	14.3	9.9	26.8
G-Biosciences Technology, Inc.[(4)]	Reagent	4.1	5.2	3.1	7.6
Axil Scientific Pte Ltd[(5)]	Reagent constituents	–	3.8	1.9	5.4

Notes:

(1) Racer Technology Pte Ltd is our main contract manufacturer for our ClearCell® FX1 System. The variation in our total cost of sales attributable to Racer Technology Pte Ltd was in line with demand for our ClearCell® FX1 Systems.

(2) Hybrionic is our main contract manufacturer for certain components of our CTChip® FR1 biochip. Such components are sent to Racer Technology Pte Ltd for packaging. The variation in our total cost of sales attributable to Hybrionic was in line with demand for our CTChip® FR1 biochips.

(3) Mr. Chen Chung Ni Johnny, the father of our Non-Executive Non-Independent Director, Mr. Johnson Chen, is a director of, and holds an equity interest of approximately 87.7% in, Hybrionic. Mr. Johnson Chen is also a director of Hybrionic. Please refer to the section titled "Interested Person Transactions and Potential Conflicts of Interests – Present and On-going Interested Person Transactions – Purchases from Hybrionic" of this Offer Document for further details.

(4) G-Biosciences Technology, Inc. is our main supplier for one of our key reagents. The variation in our total cost of sales attributable to G-Biosciences Technology, Inc. was in line with demand for our ClearCell® FX1 Systems.

(5) Axil Scientific Pte Ltd is our supplier for several reagent constituents. The variation in our total cost of sales attributable to Axil Scientific Pte Ltd was in line with demand for our ClearCell® FX1 Systems.

Save as disclosed above, as of the Latest Practicable Date, none of our Directors, Substantial Shareholders and their respective associates has any interest, direct or indirect, in any of the above major suppliers.

To the best of their knowledge, as of the Latest Practicable Date, our Directors are of the view that our business and profitability are not materially dependent on any of the above major suppliers.

CREDIT POLICY AND MANAGEMENT

Credit Terms to Our Customers

We generally extend to our existing customers credit terms of 30 days from the date of delivery of goods. The credit terms extended to different customers may vary depending on factors such as creditworthiness, payment history and length of dealing with the customer. For new customers, we generally require a 50.0% down payment to be made within 30 days from the date the sales invoice is issued and for the remainder of the invoice price to be paid within 30 days from the date that training is completed (if applicable) and/or the date of delivery of goods, whichever is earlier.

Our finance staff monitor the payment status of our customers closely and follow up with customers on overdue payments. Periodic reports on status of collection are also provided to our Financial Controller on at least a monthly basis.

Our average trade receivables turnover for the Period Under Review was as follows:

	FY2015	FY2016	FY2017	HY2018
Average trade receivables turnover (days)[(1)]	76	83	87	61

Note:

(1) For FY2015, FY2016 and FY2017, average trade receivables turnover (days) = (average trade receivables/revenue) x 365 days. For HY2018, average trade receivables turnover (days) = (average trade receivables/revenue) x 181 days.

Our average trade receivables turnover for the Period Under Review was higher than the credit terms of 30 days generally extended to our customers, due mainly to the timing difference between the date that the invoice is issued and the date from which credit terms commence (being the date that training is completed (if applicable) and/or the date of delivery of goods).

An allowance for impairment loss is recognised when there is objective evidence that a trade receivable is impaired. We perform ongoing credit evaluation of our debtors' financial condition and make specific allowances for impairment of trade receivables based on expected collectability of our receivables and when the ability to collect an outstanding debt is in doubt. Accordingly, we may also write off an outstanding debt when we are certain that the customer is not able to meet its financial obligations to us. At present, we make full allowance for receivables that are more than 365 days outstanding and that we ascertain to be uncollectible.

Our allowance for impairment of trade receivables as well as bad debts written off for the Period Under Review was as follows:

(S$'000)	FY2015	FY2016	FY2017	HY2018
Allowance for impairment of trade receivables	7	–	–	–
Bad debts written off	–	66	28	–

The bad debts written off in FY2016 and FY2017 mainly pertained to receivables from two short-term distributors that our management deemed to be uncollectible.

As of 31 December 2017 and 30 June 2018, our trade receivables amounted to S$0.29 million and S$0.13 million, respectively. As of the Latest Practicable Date, we have collected S$0.27 million and S$0.10 million, respectively, of such amounts.

Credit Terms from Our Suppliers

Our suppliers generally grant us credit terms of 30 days. The availability of credit and the credit terms extended to us by our suppliers vary from supplier to supplier, depending on factors such as the length of our business relationship with them, their evaluation of our creditworthiness, as well as the supplier's internal policies.

Our average trade payables turnover for the Period Under Review was as follows:

	FY2015	FY2016	FY2017	HY2018
Average trade payables turnover (days)[(1)]	48	79	108	326

Note:

(1) For FY2015, FY2016 and FY2017, average trade payables turnover (days) = (average trade payables/purchases) x 365 days. For HY2018, average trade payables turnover (days) = (average trade payables/purchases) x 181 days.

Our average trade payables turnover was lower in FY2015 as compared to FY2016, mainly due to a significantly lower trade payables balance in FY2014.

Our average trade payables turnover was higher in FY2017 as compared to FY2016 due to the accrual of amounts payable to our research collaboration partners as at the end of the financial year, the payment of which was pending the completion of certain project deliverables.

Our average trade payables turnover was higher in HY2018 as compared to FY2017, mainly due to a significantly higher trade payables balance in FY2017.

PROPERTIES

The table below sets out, as of the Latest Practicable Date, a list of the properties we have leased which are material for our operations.

Location	Landlord	Tenure	Gross Area (sq m)	Usage
81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	Ascendas Land (Singapore) Pte Ltd	2 January 2017 – 1 January 2020[1]	432.19	Office and R&D facility[2]

Notes:

(1) Under the terms of the lease agreement for this property, the landlord may re-enter and take possession of the property in certain circumstances, whereupon the lease will come to an end. Please refer to the section titled "Risk Factors – Risks Relating to Our Business or the Industry in which We Operate – If our sole laboratory facility becomes damaged or inoperable, or we are required to vacate the facility, our ability to sell and provide our products and pursue our R&D efforts may be jeopardised" of this Offer Document for further details.

(2) The facility is mainly used for the testing and validation of our products. Save for a component of our ClearCell® FX1 System, the manufacture of which can be outsourced to third parties, the facility is not used for the manufacture of our products. Accordingly, the R&D work and operations of the Company are not materially dependent on this facility.

As of the Latest Practicable Date, we do not own any properties.

EMPLOYEES

The breakdown of our full-time employees by function and geography as of 31 December 2015, 2016 and 2017 and as of 30 June 2018 is as follows:

	As of 31 December			As of 30 June
Segmentation by Function	**2015**	**2016**	**2017**	**2018**
Management[1]	2	2	3	2[2]
R&D	14	12	12	11
Sales and marketing	6	8	9	7
Finance and administrative	3	5	5	4[2]
Quality assurance	1	1	2	2
Total	**26**	**28**	**31**	**26**

Notes:

(1) Comprises our Executive Director and Executive Officers.

(2) There was no change in the number of employees in our "Finance and administrative" function between 31 December 2017 and 30 June 2018. However, our Financial Controller had been reclassified from our "Finance and administrative" function to our "Management" function as of 30 June 2018.

Segmentation by Geography	As of 31 December 2015	2016	2017	As of 30 June 2018
Singapore	25	25	27	23
US[(1)]	–	2	2	1
Japan[(1)]	1	1	1	1
Europe	–	–	1	1
Total	**26**	**28**	**31**	**26**

Note:

(1) Our subsidiaries in the US and Japan ceased operations in September 2018 and July 2018, respectively. This was due to a refocus in business strategy to adopt a distributorship network for operational efficiency, instead of operating representative offices in various jurisdictions.

We do not employ a significant number of employees on a temporary basis. None of our employees is unionised and there has not been any incidence of work stoppages or labour disputes which has materially affected our operations.

EMPLOYEE TRAINING POLICY

We conduct orientation training for new employees to familiarise them with our Company's regulations, quality policy and business objectives. This includes an induction training based on their respective job scopes and on-the-job training for familiarisation with their responsibilities and our internal procedures. As part of their induction training, our employees are made aware of the relevant regulatory requirements, the relevance and importance of their respective roles, and how they contribute to the achievement of these quality objectives. We also conduct briefing sessions for employees and share information with them via email and other documented means.

Employees performing risk management roles are briefed on the use of our ClearCell® FX1 System and risk management techniques.

Additional training needs are also identified and reviewed on an annual basis. We maintain training and personnel files for each employee, containing records of the education, training, skills, certifications, and experience of the respective employee. In-house training is conducted by appointed internal trainers or by external professional training providers. Employees are also encouraged to attend relevant external courses, workshops and seminars to keep abreast of developments in their respective field and acquire new skills to improve their job competency.

During the Period Under Review, our expenses incurred in relation to staff training were not significant.

INSURANCE

As of the Latest Practicable Date, we maintained, among others, the following insurance policies: fire insurance, product liability insurance, public liability insurance, directors and officers liability insurance, work injury compensation (industrial risk) insurance, all risks insurance and medical insurance for our employees.

Our Directors are of the view that the above insurance policies are adequate for our existing operations. However, significant damage to our operations due to unanticipated events may still have a material and adverse effect on our results of operations or financial position. If such events

were to occur, our business may be materially and adversely affected. Our Directors will review our insurance coverage as and when the need arises to ensure that our Company has sufficient insurance coverage.

LICENCES, PERMITS, APPROVALS, REGISTRATIONS, NOTIFICATIONS, CERTIFICATIONS, ACCREDITATIONS AND AWARDS

Licences, Permits, Approvals, Registrations and Notifications

As of the Latest Practicable Date, there are no material licences, permits or approvals required for our business and operations.

The table below sets out the material registrations and notifications required for our business as of the Latest Practicable Date:

Registration or Notification	Description	Certifying Organisation	Expiry Date
EU product notification	Product notification at the relevant competent authority for our ClearCell® FX1 Systems	MT Promedt Consulting GmbH	N.A.
Registration with the US FDA	Registration with the US FDA for the year ended 31 December 2019 as a manufacturer of US FDA Class I medical devices	Registrar Corp	31 December 2019[(1)]

Note:

(1) The registration is valid from 1 January to 31 December of each calendar year, and the period for renewal of the registration in respect of each calendar year is from 1 October to 31 December of the preceding year. We intend to renew the registration on an annual basis.

Licence Agreements

We have entered into licence agreements with the University of Cincinnati and the NUS for the right to use certain patented inventions and/or technologies in the design of our products. Please refer to the section titled "Our Business – Intellectual Property – Licence Agreements" of this Offer Document for further details.

Certifications and Accreditations

The table below sets out the material certifications and accreditations we have received as of the Latest Practicable Date:

Certification or Accreditation	Description	Issuing Organisation	Expiry Date
ISO 13485:2016	Certification that the quality management system of our Company has been assessed and certified as meeting the requirements of ISO 13485:2016 and EN ISO 13485:2016 for the activities of design, manufacture, distribution, installation and servicing of cell-based *in vitro* diagnostic devices	SGS United Kingdom Ltd	9 January 2021

Awards

The table below sets out some of the notable awards and accolades which we have received in recent years:

Year of Award	Award	Awarding Organisation
2017	Innovative Biomedical Company of the Year (2nd Runner Up)	BioSingapore
2014	20 Hottest Startups in Singapore	Singapore Business Review
2014	Top Startup – Winner	TiE Silicon Valley
2012	Asian Innovation Awards – Gold Prize	The Wall Street Journal, in partnership with Credit Suisse
2012	Asian Innovation Awards – Credit Suisse Technopreneur of the Year	The Wall Street Journal, in partnership with Credit Suisse
2012	Asian Innovation Awards – The Audience Choice Award	The Wall Street Journal, in partnership with Credit Suisse
2012	Asian Entrepreneurship Award	Asian Entrepreneurship Award Steering Committee
2012	NUS Innovation & Enterprise Awards – Promising NUS Start-up	The NUS

CORPORATE SOCIAL RESPONSIBILITY

We view corporate social responsibility as an important pillar of our corporate culture, and seek to contribute to society by developing technologies and diagnostic solutions with the potential to improve the treatment of cancer and impact the lives of patients.

We are committed to making a positive impact on the local communities of the areas in which we operate and seek to give back to our local community by supporting causes that are aligned with our values and principles. In line with this commitment, we have from time to time engaged in

charitable initiatives, such as volunteering with Willing Hearts, a soup kitchen that prepares and distributes meals to beneficiaries including the elderly, the disabled, low-income families and migrant workers in Singapore.

COMPETITION

We face competition from other companies that offer, or are conducting research to develop and offer, products and services for liquid biopsy in the oncology sector globally. These products and services comprise, among others, systems that focus on the isolation of CTCs, similar to our ClearCell® FX1 System, as well as systems that focus on the isolation of circulating tumour DNA, which is tumour-derived fragmented DNA in the bloodstream.

Products that focus on the isolation of CTCs include systems which, like our ClearCell® FX1 System, employ a microfluidic separation method, such as:

- the Parsotix system offered by ANGLE plc; and
- the PREP system offered by Celsee, Inc..

Products that focus on the isolation of CTCs which employ other separation techniques include:

- the CellCollector system offered by GILUPI GmbH; and
- the DEPArray system offered by Menarini Silicon Biosystems Spa.

Products that focus on the isolation of circulating tumour DNA include:

- OncoTRACE and OncoDEEP offered by OncoDNA S.A; and
- Guardant360 offered by Guardant Health, Inc..

While mainstream cancer diagnostic methods such as tissue biopsy and imaging are likely to remain as the established protocol for conclusive diagnosis of cancer, we believe that we do not face competition from companies offering such services as the use and benefits of liquid biopsy are sufficiently distinguished from such traditional diagnostic methods. We believe that the adoption of new methodologies which rely on liquid biopsies may be used together with established protocol after their effectiveness has been clinically proven.

PROSPECTS AND TRENDS

The following discussion about our prospects and trend information includes forward-looking statements that involve risk and uncertainties. Actual results could differ materially from those that may be projected in these forward-looking statements. Please refer to the section titled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document for further details.

Trend Information

Based on the operations of our Company as at the Latest Practicable Date and barring unforeseen circumstances, our Directors observe the following trends for the next 12 months from the Latest Practicable Date:

(a) revenue from product sales is expected to increase, in line with our appointment of additional distributors in late FY2017 to expand our distributor network in new geographical regions;

(b) R&D expenses are expected to remain stable as we continue to focus our R&D efforts on, among others, (i) developing clinical applications for our ClearCell® FX1 System, and (ii) expanding our product pipeline through the development of next-generation systems and tests;

(c) expenses incurred in connection with the Listing are expected to give rise to an increase in operating expenses for FY2018. In accordance with the SFRS(I), only a portion of such expenses may be capitalised, while the balance will be treated as expenses in our statement of comprehensive income. Barring the one-off impact of the abovementioned Listing expenses in FY2018, our other operating expenses, including employees benefits expense and administrative expenses, are expected to increase in line with the expansion of our business operations over the next 12 months;

(d) following the conversion of all Preference Shares and Convertible Loans to Shares on 6 July 2018, our Company will not be incurring any finance costs relating to accretion of interest expense on Preference Shares or recording changes in fair value relating to the Convertible Loans; and

(e) our Company raised approximately S$6.7 million via the issuance of Series C Investment Shares and Series C Warrants in the third quarter of FY2018. Please refer to the section titled "Management's Discussion and Analysis of Results of Operations and Financial Condition – Liquidity and Capital Resources" of this Offer Document for our Directors' confirmation as to the sufficiency of our working capital, as at the date of lodgement of this Offer Document, to meet our present requirements and for at least 12 months after the listing of our Company on Catalist.

Save as disclosed above and in the sections titled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Condition" and "Our Business" of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of (a) any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services since 30 June 2018; or (b) any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future financial condition or results of operations. Please also refer to the section titled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

Prospects

Moving forward, barring unforeseen circumstances and taking into consideration the reasons stated below, our Directors believe that the outlook for our business is expected to remain positive in view of the following trends and developments:

Increased prevalence of cancer

While survival rates for many cancer types has improved significantly in recent years, cancer remains the second biggest cause of death globally, responsible for 8.8 million deaths worldwide in 2015[(1)]. In Asia, dietary changes comprising increased fat, red meat and alcohol consumption alongside established habits like smoking, coupled with the increasing and ageing population, have resulted in an increase in the rates of cancer[(2)]. As such, the prevalence of cancer deaths may increase significantly by 45.0% to 163 per 100,000 people by 2030, from about 112 per 100,000 in 2005[(3)]. The increase in the prevalence of cancer, together with increasing healthcare expenditure, will drive the global market for cancer diagnostics[(4)] in which we operate. This market is expected to grow at a compound annual growth rate of 7.6%, to reach an estimated value of US$168.6 billion by 2020[(5)]. In particular, in the Asia Pacific region, countries such as Japan, Australia, China, India, Singapore and Thailand are markets that offer potential substantial opportunities for the adoption of cancer diagnostics[(6)].

---

1 **Source:** "Liquid Biopsy On Course to Transform Cancer Management" published in May 2017 in a publication titled "In Vivo" by Informa Business Intelligence, Inc., an Informa company, accessed on 15 November 2018 at https://netscientific.net/wp-content/uploads/2017/06/Liquid-Biopsy_IV1705.pdf. Informa Business Intelligence, Inc. has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

2 **Source:** "An Overview of Cancer Trends in Asia" published on the website of INNOVATION Magazine, a joint publication of Nanyang Technological University, National University of Singapore and World Scientific Publishing Co Ltd, accessed on 15 November 2018 at https://www.innovationmagazine.com/volumes/v10n3/coverstory1.html. Nanyang Technological University, National University of Singapore and World Scientific Publishing Co Ltd have not provided their consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to them in this Offer Document and therefore are not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

3 *Ibid.* Nanyang Technological University, National University of Singapore and World Scientific Publishing Co Ltd have not provided their consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to them in this Offer Document and therefore are not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

4 **Source:** "Cancer Diagnostics Market (Tumor Biomarker Tests, Imaging, Endoscopy and Biopsy) – Global Industry Analysis, Size, Share, Growth, Trends and Forecast, 2014 – 2020" published in October 2014 by Transparency Market Research, accessed on 15 November 2018 at https://www.transparencymarketresearch.com/cancer-diagnostics-market.html. Transparency Market Research has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

5 *Ibid.* Transparency Market Research has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

6 *Ibid.* Transparency Market Research has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

Increased awareness and adoption of liquid biopsy

Liquid biopsy techniques have been observed to facilitate personalised medicine and targeted therapies. In line with the increased awareness and adoption of precision medicine, the liquid biopsy market is expected to grow from approximately US$0.6 billion in 2016 to US$1.7 billion in 2021, at a compound annual growth rate of 23.4%[(1)]. Of these techniques, the analysis of CTCs, as employed in our ClearCell® FX1 System, has been noted to be the most highly developed technique[(2)], as the presence of CTCs is a fundamental prerequisite to metastasis and their enumeration offers great potential for both diagnosis and assessing prognosis[(3)]. The molecular characterisation of CTCs can also provide considerable information such as the sensitivity of the primary tumour to treatment and its potential for developing resistance to anticancer agents[(4)].

The increased awareness and adoption of liquid biopsy has also been bolstered by regulatory approvals and increased coverage by insurance companies of such tests. In June 2016, the US FDA approved the first liquid biopsy blood test to guide the treatment of cancer, noting that the approvals of liquid biopsy tests make it possible to deliver highly individualised health care for patients and have the potential to allow physicians to identify patients whose tumours have specific mutations in the least invasive way possible[(5)]. Insurance companies have also launched health plans to cover liquid biopsy tests[(6)], making such tests more accessible and affordable. In

1 **Source:** "Liquid Biopsy On Course to Transform Cancer Management" published in May 2017 in a publication titled "In Vivo" by Informa Business Intelligence, Inc., an Informa company, accessed on 15 November 2018 at https://netscientific.net/wp-content/uploads/2017/06/Liquid-Biopsy_IV1705.pdf. Informa Business Intelligence, Inc. has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

2 *Ibid.* Informa Business Intelligence, Inc. has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

3 **Source:** "Liquid Biopsy in Oncology: An Increasingly Crowded Landscape" published on 6 September 2016 in a publication titled "Medtech Insight" by Informa Business Intelligence, Inc., an Informa company, accessed on 15 November 2018 at https://medtech.pharmaintelligence.informa.com/MT103794/Liquid-Biopsy-In-Oncology-An-Increasingly-Crowded-Landscape. Informa Business Intelligence, Inc. has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

4 *Ibid.* Informa Business Intelligence, Inc. has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

5 **Source:** Press announcement released on 1 June 2016 by the US FDA, accessed on 15 November 2018 at https://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm504488.htm. The US FDA has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

6 **Source:** "The 2015 Liquid Biopsy Report" published in September 2015 by Piper Jaffray Investment Research, accessed on 15 November 2018 at https://moderncancerdiagnostics.pl/wp-content/uploads/2016/10/Za%C5%82%C4%85cznik-4_Piper_Quirk_Liquid-Biopsy-Report.pdf. Piper Jaffray Investment Research has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

addition, publications on liquid biopsies have grown significantly since 2012, increasing five-fold through 2014, also helping to build physician and general acceptance of such diagnostic methods[(1)]. Arising from these factors, liquid biopsy testing volumes are expected to increase as much as five-fold over the next three years at leading centres within the US, and increased penetration in non-academic hospitals is also expected[(2)].

The increased awareness and adoption of liquid biopsy will likely lead to an increase in demand for our products and services.

Wide range of potential applications for liquid biopsy

Currently, the use of liquid biopsy is generally limited to metastatic patients with specific traits, forming less than 5.0% of all patients, with the bulk of such activity being driven by clinical trials[(3)]. While liquid biopsies have currently been commercialised for therapy selection and treatment monitoring, their use can be expanded to recurrence monitoring and early cancer screening[(4)]. In particular, the largest potential market for liquid biopsy is predicted to be for early cancer screening to test the general population for cancer – this market for early cancer screening alone could eventually be worth as much as US$9.0 billion annually[(5)]. Cancer prevention and screening

1 *Ibid.* Piper Jaffray Investment Research has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company, our Directors and the Sponsor and Issue Manager and Placement Agent have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and the Sponsor and Issue Manager and Placement Agent or any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

2 **Source:** "Current Liquid Biopsy Trends" published on 1 March 2018 by DeciBio, LLC, accessed on 15 November 2018 at https://www.decibio.com/2018/03/01/current-liquid-biopsy-trends/. DeciBio, LLC has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

3 *Ibid.* DeciBio, LLC has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

4 **Source:** "The 2015 Liquid Biopsy Report" published in September 2015 by Piper Jaffray Investment Research, accessed on 15 November 2018 at https://moderncancerdiagnostics.pl/wp-content/uploads/2016/10/Za%C5%82%C4%85cznik-4_Piper_Quirk_Liquid-Biopsy-Report.pdf. Piper Jaffray Investment Research has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

5 **Source:** "Liquid Biopsy in Oncology: An Increasingly Crowded Landscape" published on 6 September 2016 in a publication titled "Medtech Insight" by Informa Business Intelligence, Inc., an Informa company, accessed on 15 November 2018 at https://medtech.pharmaintelligence.informa.com/MT103794/Liquid-Biopsy-In-Oncology-An-Increasingly-Crowded-Landscape. Informa Business Intelligence, Inc. has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

have also emerged as important issues in every country's health programmes in Asia[(1)], further increasing the need and market for such services. In addition to oncology, liquid biopsies can also be commercially applied in other areas such as for pre-natal testing and transplant care[(2)].

The wide range of potential applications for liquid biopsy will allow us to leverage on our existing R&D in this area to expand our product and service offerings in future.

Increased funding

Scientific R&D in the area of precision medicine has been supported by both public and private sector initiatives. Both the US and China have launched their own precision medicine initiatives, with China seeking to invest as much as US$9.0 billion over the next 15 years[(3)]. The focus on precision medicine will, in turn, also increase the focus on and demand for liquid biopsies. In particular, investors in Asia have made substantial investments in liquid biopsy companies[(4)], and an estimated total of more than US$5.0 billion has been invested in the liquid biopsy field up to March 2018, supporting and driving rapid advancements in this area[(5)].

Increased public and private funding will increase standards within this field and at the same time, also increase awareness of the benefits and efficacy of, and hence, demand within the healthcare industry for, liquid biopsies.

1 **Source:** "An Overview of Cancer Trends in Asia" published on the website of INNOVATION Magazine, a joint publication of Nanyang Technological University, National University of Singapore and World Scientific Publishing Co Ltd, accessed on 15 November 2018 at https://www.innovationmagazine.com/volumes/v10n3/coverstory1.html. Nanyang Technological University, National University of Singapore and World Scientific Publishing Co Ltd have not provided their consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to them in this Offer Document and therefore are not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

2 **Source:** "The 2015 Liquid Biopsy Report" published in September 2015 by Piper Jaffray Investment Research, accessed on 15 November 2018 at https://moderncancerdiagnostics.pl/wp-content/uploads/2016/10/Za%C5%82%C4%85cznik-4_Piper_Quirk_Liquid-Biopsy-Report.pdf. Piper Jaffray Investment Research has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

3 **Source:** "Asia's Coming Genomics Revolution" on the website of The Diplomat, accessed on 15 November 2018 at http://thediplomat.com/2017/05/asias-coming-genomics-revolution. The Diplomat has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

4 *Ibid.* The Diplomat has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

5 **Source:** "Current Liquid Biopsy Trends" published on 1 March 2018 by DeciBio, LLC, accessed on 15 November 2018 at https://www.decibio.com/2018/03/01/current-liquid-biopsy-trends/. DeciBio, LLC has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While our Company and our Directors have taken reasonable actions to ensure that such information has been reproduced in its proper form and context, none of our Company, our Directors and any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.

OVERVIEW

In general, transactions between our Company and any of our interested persons (namely, our Directors, CEO, Controlling Shareholder and their associates (as defined in the Rules of Catalist)) ("Interested Persons" and each, an "Interested Person") would constitute interested person transactions for the purposes of Chapter 9 of the Rules of Catalist.

Except as disclosed in this section and in the sections titled "Pre-IPO and Recapitalisation Exercise" and "Management and Corporate Governance – Remuneration of Directors and Executive Officers – Share Options" of this Offer Document, there have been no interested person transactions which are material in the context of the Placement for FY2015, FY2016 and FY2017 and for the period from 1 January 2018 up to the Latest Practicable Date (the "Relevant Period").

In line with the rules set out in Chapter 9 of the Rules of Catalist, a transaction which value is less than S$100,000 is not considered material in the context of the Placement and is not taken into account for the purposes of aggregation in this section.

PAST INTERESTED PERSON TRANSACTIONS

Incubation services agreement

On 1 January 2013, we entered into an incubation services agreement with our Controlling Shareholder, Clearbridge Health, for the provision of services to our Company, such as executive management, business plan development, strategic planning, project and financial management, advice on legal and regulatory affairs, marketing and branding expertise and full scale product development. The monthly fee chargeable by Clearbridge Health was computed on a cost-recovery basis. The aggregate value of the fees we paid to Clearbridge Health in consideration for the services rendered during the Relevant Period was approximately as follows:

(S$'000)	FY2015	FY2016	FY2017	1 January 2018 to the Latest Practicable Date
Aggregate fees paid	65	61	18	–

The incubation services agreement was terminated on 15 October 2018.

The incubation services agreement was entered into on an arm's length basis on normal commercial terms and was not prejudicial to the interests of our Company and our minority Shareholders, as the monthly fee chargeable by Clearbridge Health was computed on a cost-recovery basis from the salary and related costs of personnel who provided such services.

Convertible loan agreements and conversion agreements

On 28 September 2015 and 1 November 2016, we entered into the 28 September 2015 Convertible Loan Agreement and the 1 November 2016 Convertible Loan Agreement with, among others, our Controlling Shareholder, Clearbridge BSA, for the extension of convertible loans by Clearbridge BSA to our Company, in the principal amounts of S$1,250,000 and S$750,000, respectively. The convertible loans bore interest of 12.0% per annum. All outstanding principal amounts of the convertible loans would be repayable in full, whether by way of cash repayment

or by conversion into preference shares in the capital of our Company, no later than the respective maturity dates of the convertible loans (being the third and second anniversaries of the respective dates of the convertible loan agreements). Pursuant to the convertible loan agreements, our Company also issued Clearbridge BSA, 21,800 and 13,080 Shares for a nominal sum on 28 September 2015 and 1 November 2016, respectively.

On 6 July 2018, we entered into conversion agreements with, among others, our Controlling Shareholder, Clearbridge BSA, for the conversion of the convertible loans into Shares, in full and final settlement of all amounts (including accrued interest up to 31 May 2018) owing by our Company to Clearbridge BSA. The accrued interest of approximately S$0.02 million payable to Clearbridge BSA for the period from 1 June 2018 to 6 July 2018 was repaid in cash. Pursuant to the conversion agreements, our Company issued 63,263 Shares at the conversion price of S$40.14 per Share on 6 July 2018. Please refer to the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document for further details.

The above agreements were entered into on an arm's length basis on normal commercial terms and were not prejudicial to the interests of our Company and our minority Shareholders, as the same terms were offered to all the investors and existing Shareholders at the time of the respective agreements were offered pre-emption rights to extend the convertible loans on the same terms.

Issue of Shares pursuant to conversion of Preference Shares

During the Relevant Period, our Company issued Shares to, among others, our Controlling Shareholder, Clearbridge BSA and The Harbour Trust Co. Ltd, as trustee of Clearbridge Biomedics Unit Trust, of which Mr. Chen Chung Ni Johnny, the father of our Non-Executive Non-Independent Director, Mr. Johnson Chen, and Ms. Yee Lin Jacqueline, the sister of our Non-Executive Non-Independent Chairman, Mr. Jeremy Yee, were beneficiaries, pursuant to the conversion of Series A Preferred Shares and/or Series B Redeemable Convertible Preference Shares. Please refer to the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document for further details.

The table below sets out the details of such Shares:

	Date of Issue	Purpose of Issue	Number of Shares	Conversion Price per Share (S$)
Clearbridge BSA	6 July 2018	Conversion of 72,128 Series A Preferred Shares and 54,575 Series B Redeemable Convertible Preference Shares	126,703	S$25.00 per Share for 72,128 Series A Preferred Shares, S$32.07 and S$42.75 for 31,185 and 23,390 Series B Redeemable Convertible Preference Shares, respectively

	Date of Issue	Purpose of Issue	Number of Shares	Conversion Price per Share (S$)
The Harbour Trust Co. Ltd[(1)]	6 July 2018	Conversion of 60,259 Series B Redeemable Convertible Preference Shares	60,259	S$32.07 and S$42.75 for 34,433 and 25,826 Series B Redeemable Convertible Preference Shares, respectively

Note:

(1) The Shares held by The Harbour Trust Co. Ltd (the "Harbour Trust Shares") were held by The Harbour Trust Co. Ltd as trustee for the beneficiaries of the Clearbridge Biomedics Unit Trust (the "Harbour Trust Beneficiaries"). On 19 November 2018, the Harbour Trust Shares were distributed to the Harbour Trust Beneficiaries.

The Harbour Trust Beneficiaries are Lee Moh Ming, Mr. Chen Chung Ni Johnny (the father of our Non-Executive Non-Independent Director, Mr. Johnson Chen), Ms. Yee Lin Jacqueline (the sister of our Non-Executive Non-Independent Chairman, Mr. Jeremy Yee), Tay Kuan Huat, and Racer Technology Pte Ltd.

The above Shares were issued on an arm's length basis on normal commercial terms and were not prejudicial to the interests of our Company and our minority Shareholders, as the Series A Preferred Shares and the Series B Redeemable Convertible Preference Shares were offered to existing Shareholders and new third party investors at the time of the respective issuances on the same terms.

Issue of Series C Investment Shares and Series C Warrants pursuant to the Series C Investment Agreement

During the Relevant Period, pursuant to the Series C Investment Agreement, our Company issued Series C Investment Shares and Series C Warrants to subscribe for Shares to, among others, our Non-Executive Non-Independent Director, Mr. Johnson Chen, his sister, Ms. Chen Joyce, and Inbridge Ventures Pte. Ltd., a company in which Mr. Johnson Chen and his father, Mr. Chen Chung Ni Johnny, hold an aggregate equity interest of approximately 56.4%. The Series C Investment Shares and Series C Warrants were held on a bare trust by Inbridge Ventures Pte. Ltd. for certain beneficiaries (the "Inbridge Beneficiaries"), including our Independent Director, Mr. James Ong. Please refer to the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document for further details.

The table below sets out the details of such Series C Investment Shares:

	Date of Issue	Number of Series C Investment Shares	Issue Price per Series C Investment Share (S$)
Mr. Johnson Chen	11 July 2018	1,471	57.34
Ms. Chen Joyce	11 July 2018	86	57.34
Inbridge Ventures Pte. Ltd.[(1)]	19 July 2018	54,746	57.34

The table below sets out the details of such Series C Warrants:

	Date of Instrument	Number of Series C Warrants[2]	Exercise Price per Share (S$)	Exercise Period and Expiry Date
Mr. Johnson Chen	11 July 2018	1,104	1.00	The date of issue of the warrants to the earlier of the day immediately preceding: (i) lodgement of our Company's preliminary prospectus in connection with an initial public offering of our Shares; and (ii) the fifth anniversary of completion of the Series C Investment Agreement
Ms. Chen Joyce	11 July 2018	65	1.00	
Inbridge Ventures Pte. Ltd.[1]	19 July 2018	41,060	1.00	

Notes:

(1) The Series C Investment Shares and Series C Warrants were held on a bare trust by Inbridge Ventures Pte. Ltd. for certain beneficiaries (the "Inbridge Beneficiaries"). On 26 September 2018, our Company allotted and issued 41,060 Shares to Inbridge Ventures Pte. Ltd. (together with the Series C Investment Shares held by Inbridge Ventures Pte. Ltd., the "Inbridge Shares") in connection with its exercise of its Series C Warrants. On 15 November 2018, the Inbridge Shares were distributed to the Inbridge Beneficiaries.

The Inbridge Beneficiaries are Mak Mun Keat, Peck Shu Fang, Lim Sau Siong, Pang Yee Poh, Gan Pay Yap, Wee Tian Sing, Sim Chin Chye, Mr. James Ong (our Independent Director), Daniel Chea Hsu Min, Toh Tiam Hock, Toh Chin Teck, Toh Chin Kaw, Low Chiew Eng, Lim Seng Thiam, Ong Kim On, Ong Khim Hwa, Lim Teck Choon, Tan Peng Koon, Kuik Ah Han, Kuik Thiam Huat, Chang Ling Seow, Lim Boon Wan, Lai Chien Chou, Song Tang Yih, Liu Shen Hong, Fexlicia Lee Pei Yue, Edwin Lai Nai Poh, Ng Zi Kai, Wang Qingyin, Chu Tze-Kwang Adrian, Ng Chong Kheng Matthew, Cheong Yew Weng, Chee Kwang How, Seow Boon Teng, Loo Han Ping Victor, and Chong Vicki.

(2) Each Series C Warrant entitles the holder thereof to subscribe for one Share, subject to the terms and conditions of the Series C Warrants.

There was no issue price for the Series C Warrants.

On 26 September 2018, our Company allotted and issued an aggregate of 42,229 Shares to Mr. Johnson Chen, Ms. Chen Joyce and Inbridge Ventures Pte. Ltd. in connection with their exercise of their Series C Warrants. Please refer to the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document for further details.

The above Series C Investment Shares and Series C Warrants were issued on an arm's length basis on normal commercial terms and were not prejudicial to the interests of our Company and our minority Shareholders, as such Series C Investment Shares and Series C Warrants were offered to existing Shareholders and new third party investors at the time of the issuance on the same terms.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Purchases from Hybrionic

We purchased certain components for our CTChip® FR1 biochip from Hybrionic from time to time during the Relevant Period. Mr. Chen Chung Ni Johnny, the father of our Non-Executive Non-Independent Director, Mr. Johnson Chen, is a director of, and holds an equity interest of approximately 87.7% in, Hybrionic. Mr. Johnson Chen is also a director of Hybrionic. The purchase price of the components is determined based on negotiations between our Company and Hybrionic. We understand that the pricing is based on cost plus a premium which Hybrionic would charge its other customers in its ordinary course of business. Our Non-Executive Non-Independent Director, Mr. Johnson Chen, had recused himself from such procurement decisions. The aggregate value of such components purchased from Hybrionic during the Relevant Period was approximately as follows:

(S$'000)	FY2015	FY2016	FY2017	1 January 2018 to the Latest Practicable Date
Aggregate value of purchases	94	137	175	121

The terms under which we purchased the components for our CTChip® FR1 biochip from Hybrionic were negotiated on an arm's length basis on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders, as the purchase price of such components is determined based on negotiations between our Company and Hybrionic. We understand that the pricing is based on cost plus a premium which Hybrionic would charge its other customers in its ordinary course of business. In addition, our Non-Executive Non-Independent Director, Mr. Johnson Chen, had recused himself from such procurement decisions.

Following the Listing, we intend to continue with the above arrangement. Any transactions entered into by our Company and Hybrionic will be subject to the review procedures set out in the section titled "Interested Person Transactions and Potential Conflicts of Interests – Guidelines and Review Procedures for On-going and Future Interested Person Transactions" of this Offer Document and the requirements of Chapter 9 of the Rules of Catalist.

GUIDELINES AND REVIEW PROCEDURE FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review and approve all interested person transactions to ensure that they are on normal commercial terms and are transacted on an arm's length basis on terms and prices not more favourable to the Interested Persons than if they were transacted with a third party and are not prejudicial to the interests of our Company and our minority Shareholders in any way.

To ensure that all future interested person transactions are carried out on normal commercial terms and will not be prejudicial to the interests of our Company or our minority Shareholders, the following procedures will be implemented by our Company:

(a) when purchasing any products or procuring any services from an Interested Person, two additional quotations from non-interested persons will be obtained for comparison to ensure that the interests of our Company and minority Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two additional quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;

(b) in the case of renting properties from or to an Interested Person, the Board shall take appropriate steps to ensure that the rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and/or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rate of similar property in terms of size, suitability for purpose and location, based on the results of the relevant inquiries;

(c) when we sell any products or supply any services to an Interested Person, the price or fee and terms of two other successful transactions of a similar nature with non-Interested Persons will be used as comparison to ensure that the interests of our Company or minority Shareholders are not disadvantaged. The price or fee for the sale of products or the supply of services shall not be lower than the lowest price or fee of the two other successful transactions with non-Interested Persons;

(d) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products or services may be purchased only from an Interested Person, the interested person transaction will be referred to our Audit Committee, and our Audit Committee will determine whether the relevant price and terms are fair and reasonable and consistent with our Company's usual business practice. In determining the transaction price payable to the Interested Person for such products and/or services, factors such as, but not limited to, quantity, requirements and specifications will be taken into account; and

(e) in addition, we will monitor all interested person transactions entered into by us and categorise these transactions as follows:

    (i) a Category 1 interested person transaction is one where the value thereof (either individually or as part of a series or if aggregated with other transactions entered into with the same interested person during the same financial year) is equal to or in excess of 3.0% of the latest audited NTA of our Company; and

    (ii) a Category 2 interested person transaction is one where the value thereof (either individually or as part of a series or if aggregated with other transactions entered into with the same interested person during the same financial year) is below 3.0% of the latest audited NTA of our Company.

All Category 1 interested person transactions are to be approved by our Audit Committee prior to entry. All Category 2 interested person transactions need not be approved by our Audit Committee prior to entry, but shall be reviewed on a quarterly basis by our Audit Committee.

All interested person transactions equal to or above S$100,000 are to be approved by a Director who shall not be an interested person in respect of the particular transaction. All interested person transactions below S$100,000 are to be approved by our Financial Controller for the time being or such other senior executive(s) of our Company, who shall not be an interested person in respect of the particular transaction, designated by our Audit Committee from time to time for such purpose.

Our Audit Committee will review all interested person transactions, if any, on a quarterly basis to ensure that they are carried out on an arm's length basis. In accordance with the procedures outlined above, our Audit Committee will take into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any such transaction, he or she will abstain from participating in the review and approval process in relation to that particular transaction.

We will prepare all the relevant information to assist our Audit Committee in its review and will keep a register recording all interested person transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

In addition, our Audit Committee and our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Rules of Catalist (in particular, Chapter 9) and relevant accounting standards are complied with. The annual internal audit plan shall incorporate a review of all interested person transactions entered into. Such transactions will also be subject to the approval of our Shareholders if required by the Rules of Catalist. We will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

The internal audit reports will be reviewed by our Audit Committee to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. Our Audit Committee shall also, from time to time, review such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that interested person transactions are conducted on normal commercial terms, on an arm's length basis and do not prejudice the interests of our Company and our minority Shareholders. Furthermore, if during these periodic reviews by our Audit Committee, our Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that interested person transactions will be on normal commercial terms, on an arm's length basis and not prejudicial to the interests of our Company and our minority Shareholders, our Audit Committee will adopt such new guidelines and review procedures for future interested person transactions as may be appropriate.

Pursuant to the Rules of Catalist, we will make the required disclosure in relation to our interested person transactions in our annual report during the relevant financial year under review.

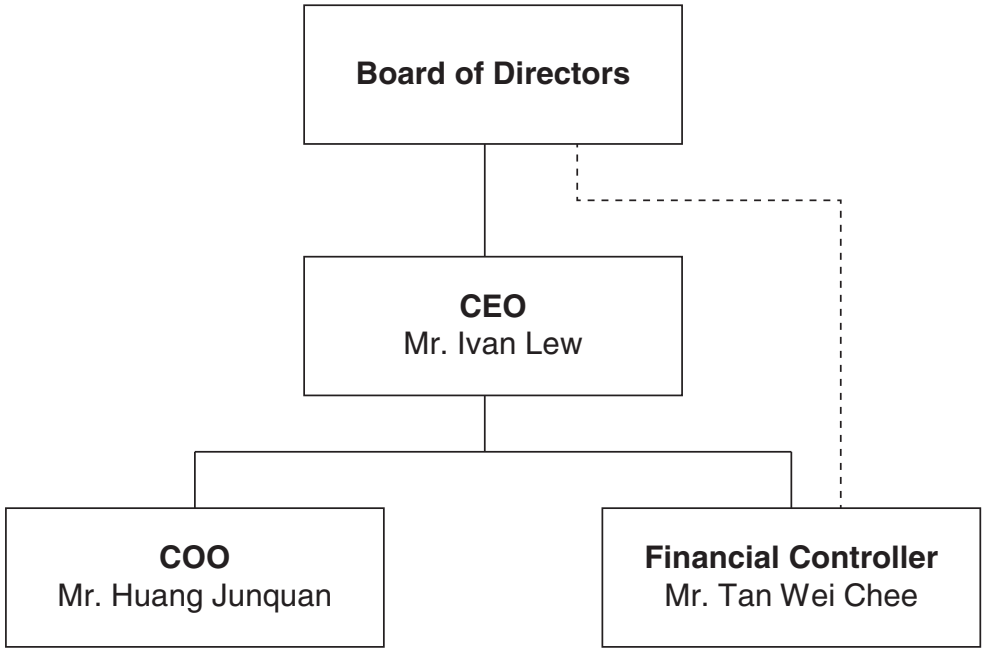
POTENTIAL CONFLICTS OF INTERESTS

Except as disclosed in the sections titled "Pre-IPO and Recapitalisation Exercise" and "Interested Person Transactions and Potential Conflicts of Interests" of this Offer Document, none of our Directors, Controlling Shareholder or any of their respective associates has any interest, direct or indirect, in any material transactions to which our Company was or is a party.

Except as disclosed in the section titled "Our Business – Major Suppliers" of this Offer Document, none of our Directors, CEO, Controlling Shareholder or any of their respective associates has any interest, direct or indirect, in any entity carrying on the same business or dealing in similar products as our Company or in any business that was or is our customer or supplier of goods or services.

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as of the Latest Practicable Date:



DIRECTORS

The Board of Directors is entrusted with the responsibility for the overall management of our Company. Our Directors' particulars are listed below:

Name	Age	Address	Position
Mr. Jeremy Yee	49	c/o 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	Non-Executive Non-Independent Chairman
Mr. Ivan Lew	50	c/o 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	Executive Director and CEO
Mr. Johnson Chen	46	c/o 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	Non-Executive Non-Independent Director and Founder
Mr. Leong Yow Seng	46	c/o 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	Lead Independent Director
Mr. James Ong	38	c/o 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	Independent Director
Mr. Peter Koh	53	c/o 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	Independent Director
Ms. Toh Shih Hua	43	c/o 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	Independent Director

There are no arrangements or understandings with any of our Substantial Shareholders, customers or suppliers or any other person, pursuant to which any of our Directors was selected as a Director.

As our Company has no subsidiaries, none of our Independent Directors sits on the board of a principal subsidiary of our Company that is based in a jurisdiction other than Singapore.

None of our Directors has any family relationships with one another, our Executive Officers or our Substantial Shareholders.

Information on the working and business experience, education and professional qualifications and areas of responsibilities (where applicable) of our Directors is set out below:

Mr. Jeremy Yee is our Non-Executive Non-Independent Chairman and was appointed to our Board on 27 April 2017.

From 1994 to 1995, Mr. Jeremy Yee was a corporate marketing officer (credit) at Maybank Finance (S) Limited, where he was responsible for the assessment of credit lending. From 1995 to 1996, he held the position of cadet/trainee pilot at Singapore Airlines Limited. From 1996 to 1997, he was a treasury analyst at American Express International Inc where he conducted foreign

exchange hedging. From 1997 to 1999, he was a senior banking consultant at KPMG Consulting and was responsible for providing banking and treasury advisory services to the firm's portfolio of clients. From 1999 to 2000, he was a risk management internal auditor at UOB where he provided risk management and audit services. From 2000 to 2002, he was an assistant managing consultant at KPMG Consulting and provided business consultancy services and led the management of the team.

From 2002 to 2011, he was director of corporate development, and then chief operating officer and subsequently executive director and group chief financial officer of Cordlife Limited (now known as Life Corporation Limited), a company listed on the Australian Securities Exchange. During his tenure, he was responsible for the group's overall corporate development activities, financial function, including statutory filings, accounting audits, finance controls and treasury matters. From 2011 to 2016, he was appointed as executive director and chief executive officer of Cordlife Group Limited, a company listed on SGX-ST. Mr. Jeremy Yee founded Clearbridge Medical Group Pte. Ltd. (formerly known as Insight Medica Pte. Ltd.) in 2016. Since 2017, Mr. Jeremy Yee has served as the executive director and chief executive officer of Clearbridge Health, a company listed on Catalist, where he is responsible for identifying and implementing company-wide business growth strategies and overseeing all aspects of the group's growth and operating functions.

Mr. Jeremy Yee obtained his Bachelor of Arts in Economic and Social Studies from the Victoria University of Manchester in 1994, Master of Commerce (Finance with Banking/Management) from the University of Sydney in 1997, Bachelor of Commerce in Professional Accounting from Murdoch University in 2009, Master of Business Administration from the Nanyang Technological University in 2011, Master of Business Administration from the University of Chicago Booth School of Business in 2012 and Master of Arts from Columbia University in 2016. He completed the UC Berkeley – Nanyang Advanced Management Program in 2010. He also received the Furama Ltd Endowed Book Prize from the Nanyang Technological University in 2011.

Mr. Ivan Lew is our Executive Director and CEO and is responsible for the overall management, operations, strategic planning and business development of our Company. He was appointed to our Board on 19 September 2018.

From 1997 to 2000, Mr. Ivan Lew was the business development manager of Novahealth Pte Ltd, a provider of software solutions to healthcare institutions. From 2000 to 2002, he was a director at Inventis Singapore Pte Ltd, where he led the marketing team. From 2002 to 2005, he was a senior vice president at Stratech Systems Limited, a surveillance technology provider, where he led the sales and project team. From 2005 to 2008, he was vice president of group business development and head of performance and strategy at Sembcorp Industries Ltd, an energy, water, marine and urban development group, where he was responsible for business development and operations. From 2008 to 2011, he returned to Stratech Systems Limited, where he served as a senior vice president. From 2011 to 2014, he served as the chief executive officer and director of business development at Ramky International (Singapore) Pte. Ltd., an environmental management solution provider, where he led various business development initiatives and partnerships. From 2015 to 2016, he served as the chief executive officer of C&G (Asia) Engineering Pte Ltd, a company in the engineering, procurement and construction industry, where he managed the Singapore operations. From 2016 to 2018, Mr. Ivan Lew was the chief executive officer of Shaw Investment APAC Pte. Ltd., an investment company, where he managed the Singapore and regional operations and was responsible for executing business growth strategies.

Mr. Ivan Lew graduated with a Bachelor of Science in Naval Architecture from the Western Australia Institute of Technology in 1988. He also obtained a Diploma in Shipbuilding and Offshore Engineering from Ngee Ann Polytechnic in 1990.

Mr. Johnson Chen is our Non-Executive Non-Independent Director and Founder and was appointed to our Board on 19 July 2009.

From 1997 to 1998, Mr. Johnson Chen was an analyst with Anderson Consulting Strategic Services (now known as Accenture LLP) where he provided management consultancy services to clients and his primary responsibilities included industry research, analysis, business modelling and strategic planning. From 1998 to 1999, he was the deputy chief financial officer of Hong Kong Star Internet, where he was responsible for managing finance operations, budgets and project finance matters.

From 1999 to 2002, he was president of CyberWorks Ventures, the venture capital arm of Pacific Century CyberWorks in Hong Kong, where he oversaw CyberWorks Ventures' direct investment and venture capital team. Since 2002, he has been an executive director of 1Bridge Partners Limited, where he oversees its investment management. Concurrently, he is the chairman, executive director and chief executive officer of CapBridge Pte. Ltd. (a global private financing platform and an entity regulated by the Authority) since 2017, where he is responsible for the overall strategic planning and business execution of the company. Mr. Johnson Chen is the co-founder and also currently serves as the non-executive non-independent chairman of Clearbridge Health, a company listed on Catalist, a position he has held since 2017.

Mr. Johnson Chen graduated with a Bachelor of Arts degree and a Master of Engineering degree from the University of Cambridge, the UK in 1997.

Mr. Leong Yow Seng is our Lead Independent Director and was appointed to our Board on 20 November 2018.

From 2006 to 2008, he served as the vice president, head of regional mergers and acquisitions, of Mitsubishi UFJ Securities (Singapore), Limited (now known as MUFG Securities Asia (Singapore) Limited). During his tenure, he co-worked closely with the Japan head office to identify opportunities for Asian and international corporates to invest into and divest out of Japan. He originated and led the execution of mergers and acquisitions and fund raising transactions. From 2009 to 2012, he worked as the corporate finance director of Menorah Worldwide Limited, where he oversaw mergers and acquisitions and corporate finance activities.

From 2010 to 2012, he was the group chief investment officer of EGI Group Limited, where he was responsible for investment, divestment, and business development related activities. From 2012 to 2014, he served as a director (corporate and client solutions) at CIMB Bank Berhad, where he led a team of relationship managers and managed client relationships with regional small and medium-sized enterprises and multi-national corporations. Since 2014, Mr. Leong Yow Seng has been the group chief financial officer of Minergy Resources Pte. Ltd., where his responsibilities include fund raising, financial reporting, investment analysis and investor communication. Since 2017, he has also been a part-time behaviour therapist at Lazarus Centre Pte. Ltd., an early intervention centre for children with autism. Since 2018, Mr. Leong Yow Seng has also been a project consultant at Agritrade Logistics Pte. Ltd., a logistics, shipping and commodities trading company, where he acts as a consultant to senior management and leads fund raising projects.

Mr. Leong Yow Seng graduated *cum laude* with a Bachelor of Business Administration (Double Major in Finance and Psychology) from Western Michigan University in 1997 and obtained a Master of Business Administration from Western Michigan University in 2003.

Mr. James Ong is our Independent Director and was appointed to our Board on 20 November 2018.

From 2003 to 2004, Mr. James Ong was an associate and unit head at DBS Bank Ltd., where he led the financial control and administration unit of credit operations. From 2004 to 2006, he worked at Oversea-Chinese Banking Corporation Limited, where his last-held role was as a private banker covering the Indonesian market. From 2006 to 2011, he served as a director of Oppenheimer Investments (Singapore) Pte. Ltd., a boutique investment banking company which focuses on advising clients on funding and syndication in the debt capital markets, where he set up and managed the Singapore office and where his main responsibilities included deal origination and execution and liaising with external stakeholders. From 2012 to 2015, he was a senior manager of IL&FS Global Financial Services Pte. Ltd., an infrastructure development and finance company, where he was responsible for advising on a portfolio of Asian investment and advisory opportunities and provided execution expertise in the areas of corporate finance, equity and debt syndications and project finance.

In 2015, Mr. James Ong joined YCH Group Pte Ltd ("YCH Group"), an integrated end-to-end supply chain partner to multi-national corporations and aspiring growth companies with operations across the Asia Pacific. He is currently the chief investment officer and is responsible for mergers and acquisitions, capital structure and negotiation of joint ventures, as well as heading the asset management team. He is also a partner at Supply Chain Angels Pte. Ltd., the corporate venture arm of YCH Group, which invests in start-ups that are synergistic and complementary to YCH Group's supply chain and logistics business, where he heads a S$20 million fund co-invested by the National Research Foundation Singapore and another partnership fund with SGInnovate.

Mr. James Ong graduated from the University of Western Australia with a Bachelor of Commerce in 2002 and obtained a Master of Business Administration from the University of Chicago Booth School of Business in 2012. He was also admitted as a Certified Public Accountant in Australia in 2010.

Mr. Peter Koh is our Independent Director and was appointed to our Board on 20 November 2018.

In 1988, Mr. Peter Koh founded Pete's Creation International (now known as Pete's Creation International (S) Pte. Ltd.) ("Pete's Creation International"), a marketing and branding consultancy business, where he was involved in day to day management as well as business development until his retirement in 2010. Under Mr. Peter Koh's management, Pete's Creation International was among the first few companies selected by the Media Development Authority of Singapore to produce a high definition television infotainment program in 2005 and secured merchandise licensing rights for the FIFA 2006 World Cup in 2006. Pete's Creation International provided marketing and branding services to many multi-national corporations, ventured into original equipment manufacturing for major retail brands, and in 2009, won The Summit International Award for Marketing Effectiveness in the US.

From 2013 to 2014, Mr. Peter Koh was appointed investment advisor to Ramky Revo Holding JV Co Pte. Ltd. for its overseas investments. From 2013 to 2016, Mr. Peter Koh served as executive director of Opulence Group Pte. Ltd., a private equity firm with investments in countries ranging from Australia to Japan, where he was responsible for the strategic direction and development of the company. In 2014, Mr. Peter Koh was appointed as the executive director and chief executive officer of Oceanus Group Limited, a land-based abalone producer listed on SGX-ST, where his responsibilities include planning the strategic direction for and development of the group.

Mr. Peter Koh was awarded a Public Service Medal from the Singapore government for commendable public service in 2014.

Ms. Toh Shih Hua is our Independent Director and was appointed to our Board on 20 November 2018.

Ms. Toh Shih Hua started her career as an auditor at KPMG Peat Marwick in 1997. In 2000, she joined the investment banking corporate finance department of Oversea-Chinese Banking Corporation Limited, where she was involved in various equity fund raising and mergers and acquisitions transactions. In 2002, she served as vice president at Industrial and Commercial Bank of China (Singapore Branch) (now known as Industrial and Commercial Bank of China Limited), where she oversaw the setting up of the investment banking division, focusing on deal origination and execution. In 2004, Ms. Toh Shih Hua founded Genesis Capital Pte. Ltd., a boutique corporate finance advisory company, where she continues to serve as an executive director and oversee deal origination and has completed numerous corporate finance transactions including initial public offerings, mergers and acquisitions, take-overs and fund raising. In 2016, she founded TNT Global Capital Pte. Ltd., a fund management company, where she also serves as an executive director.

Ms. Toh Shih Hua is currently an independent director of Vibropower Corporation Limited, a company listed on SGX-ST. She graduated from the Nanyang Technological University with a Bachelor of Accountancy and is currently a member of the Institute of Singapore Chartered Accountants.

Mr. Ivan Lew, Mr. Leong Yow Seng and Mr. James Ong have attended the relevant training on the roles and responsibilities of a director of a public listed company in Singapore. Mr. Jeremy Yee, Mr. Johnson Chen, Mr. Peter Koh and Ms. Toh Shih Hua are directors of companies that are listed on SGX-ST, and are familiar with the roles and responsibilities of a director of a public listed company in Singapore.

The list of present and past directorships of each Director over the last five years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

	Present Directorships	Past Directorships
Mr. Jeremy Yee	Clearbridge Assays Pte. Ltd. Clearbridge Biophotonics FPM, Inc. Clearbridge Biophotonics Pte. Ltd. Clearbridge BSA Clearbridge Health Clearbridge Health USA Inc. Clearbridge Lifestyle Pte. Ltd. Clearbridge Medical Asia Pte. Ltd. Clearbridge Medical Group Pte. Ltd. Clearbridge Medical Hong Kong Corporation Limited Insight Medical Australia Pty Ltd Medic Laser Private Limited Medic Surgical Private Limited QED Innovate Pte. Ltd. (In liquidation – members' voluntary winding up) SAM Laboratory Pte. Ltd. Tri3 Capital Pte. Ltd.	China Cord Blood Corporation Clearbridge Health (Philippines) Inc. Clearbridge Medicentre Private Limited Cordlife (Hong Kong) Limited Cordlife Group Limited Cordlife Medical Phils., Inc Cordlife Sciences (India) Pvt. Ltd. Cordlife Stem Cell Technology Limited Cordlife Technologies Pte. Ltd. CS Cell Technologies Pte. Ltd. Halcyon Investment Capital Pte. Ltd. (In liquidation – members' voluntary winding up) PT. Cordlife Persada Shanghai Cordlife Biomedical Research Co., Ltd Shanghai Kai Zhun Health Management Co. Ltd. Stemlife Berhad

	Present Directorships	Past Directorships
Mr. Ivan Lew	PR – Immigration Pte. Ltd. SH1 Investments Pte. Ltd. Shaw Globe Hainan (海南邵氏貿易有限公司) Shaw Investment APAC Pte. Ltd.	Engie Factory Asia-Pacific Pte. Ltd. Engie Services Asia-Pacific Pte. Ltd. Geo Corporate Services Pte. Ltd. Immigration Solutions (Singapore) Pte. Ltd. Ramky Revo Holding JV Co Pte. Ltd. Ramky Revo O&M JV Co Pte. Ltd. (Struck off)
Mr. Johnson Chen	1Bridge Partners Limited 1Exchange Pte. Ltd. Capbridge Holdings Pte. Ltd. Capbridge Platform Pte. Ltd. Capbridge Pte. Ltd. Clearbridge Biophotonics, Inc. Clearbridge Biophotonics Pte. Ltd. Clearbridge Health DropCell Pte. Ltd. Hybrionic Inbridge Holdings Limited Inbridge Ventures Pte. Ltd. Singapore Institute of Advanced Medicine Holdings Pte. Ltd.	Asia HealthPartners Pte. Ltd. Clearbridge Assays Pte. Ltd. Clearbridge Bioloc Pte. Ltd. (Struck off) Clearbridge Biomedics Japan Co., Limited (Struck off) Clearbridge Biophotonics FPM, Inc. Clearbridge BSA Clearbridge Health (USA), Inc. Clearbridge Lifestyle Pte. Ltd. Clearbridge Nanomedics Pte. Ltd. (Struck off) Clearbridge Vitalsigns Pte. Ltd. (Struck off) Dark Horse Investment Holdings Limited ePetri Inc (Struck off) ePetri Pte. Ltd. (Struck off) Glo International Limited (Struck off) Inbridge Technologies Pte. Ltd. (Struck off) Nature Food Europe Limited (Struck off) Nature Food Restaurants Limited (Dissolved) SAM Laboratory Pte. Ltd. Singapore Genome Medicine Pte. Ltd. (Struck off) Treebox Solutions Pte. Ltd.
Mr. Leong Yow Seng	Ark Investments (SG) Pte. Ltd. KalSha Advisory Limited	–
Mr. James Ong	Ascentis Pte. Ltd. Ascentis Sdn Bhd Astore Pte. Ltd. Meet Isaac Pte. Ltd. Meet Isaac Sdn Bhd Octorocket Pte. Ltd. Thinkuvate WTG Pte. Ltd.	–

	Present Directorships	Past Directorships
Mr. Peter Koh	Capy Comm Pte. Ltd. Guangzhou Eagle Coin Enterprises Group Corp. Oceanus (Singapore) Restaurant Management Pte. Ltd. Oceanus Aquaculture Group Pte. Ltd. Oceanus Australia Abalone World (S) Pte. Ltd. Oceanus Food Group Pte. Ltd. Oceanus Group Limited Oceanus Investment Holdings Pte. Ltd. Oceanus Tech Pte. Ltd. Pete's Creation International PT. Kertas Blabak SMM Group Pte. Ltd. SMM International Investments Pte. Ltd.	Opulence Group Pte. Ltd.
Ms. Toh Shih Hua	Capital Partners Investment Pte. Ltd. Genesis Capital Pte. Ltd. TNT Global Capital Pte. Ltd. Vibropower Corporation Limited	–

EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our Executive Director who is assisted by a team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Position
Mr. Tan Wei Chee	33	c/o 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	Financial Controller
Mr. Huang Junquan	36	c/o 81 Science Park Drive, #02-03 The Chadwick, Singapore 118257	COO

There are no arrangements or understandings with any of our Substantial Shareholders, customers or suppliers or any other person, pursuant to which any of our Executive Officers was selected as an Executive Officer.

None of our Executive Officers has any family relationships with one another, our Directors or our Substantial Shareholders.

Information on the working and business experience, education and professional qualifications and areas of responsibilities of our Executive Officers is set out below:

Mr. Tan Wei Chee is our Financial Controller and is responsible for our Company's finance and management reporting, internal controls and human resources. He has been with our Company since January 2016.

From 2009 to 2015, he was an audit manager at Deloitte & Touche LLP, Singapore, where he was responsible for the application of International Financial Reporting Standards and SFRS. During his tenure, he led teams and managed resources in audit engagements to ensure proper and timely head-office reporting and statutory reporting. He also identified corporate governance deficiencies and offered best practice proposals, and ensured compliance to clients' internal controls and regulatory requirements.

Mr. Tan Wei Chee obtained his Degree of Bachelor of Accountancy from the Nanyang Technological University in 2009. He qualified as a Chartered Accountant of Singapore and was admitted as a Member of the Institute of Singapore Chartered Accountants in 2014.

Mr. Huang Junquan is our COO and is responsible for overseeing the operations of our Company. He joined our Company in July 2011 and was appointed COO in August 2018.

From 2006 to 2008, Mr. Huang Junquan was a human islet isolation coordinator at St Vincent's Institute in Australia, where he led a team of doctors and scientists in successfully isolating islets in a GMP (Good Manufacturing Practice) facility. He also coordinated the first human islet transplantation in Victoria, Australia. From 2008 to 2010, Mr. Huang Junquan was a senior officer of the Biomedical Research Council at the Agency for Science, Technology and Research ("A*STAR"), overseeing budget utilisation and key performance indicators monitoring of research institutions. He assisted in planning and strategising Singapore's research landscape, as well as A*STAR's funding mechanisms over four financial years.

From 2010 to 2011, he was appointed as a regulatory specialist with the Health Sciences Authority ("HSA") medical device branch, where he performed pre-market evaluations of high-risk medical devices to meet safety and performance standards. Mr. Huang Junquan also assisted in developing Singapore's medical devices standards and HSA guidance documents to ensure device compliance. From 2011 to 2018, Mr. Huang Junquan held several positions within our Company, including Manager (Product Development), Senior Manager (Product Development), Director (Product Development) and Senior Director (Strategic Development).

Mr. Huang Junquan obtained his Bachelor of Biomedical Science in 2005 and his Bachelor of Science (Degree with Honours) in 2006 from the University of Melbourne.

The list of present and past directorships of each Executive Officer over the last five years preceding the date of this Offer Document is set out below:

	Present Directorships	Past Directorships
Mr. Tan Wei Chee	–	–
Mr. Huang Junquan	–	–

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

The remuneration[1] of our Directors and Executive Officers for FY2016, FY2017 and FY2018 (estimated), in remuneration bands[2], for services rendered by them in all capacities to us are as follows:

	FY2016	FY2017	FY2018 (Estimated)[3]
Directors			
Mr. Jeremy Yee	–	–	–[4]
Mr. Ivan Lew[5]	–	–	Band A
Mr. Johnson Chen	Band A	–	–[4]
Mr. Leong Yow Seng	–	–	Band A
Mr. James Ong	–	–	Band A
Mr. Peter Koh	–	–	Band A
Ms. Toh Shih Hua	–	–	Band A
Executive Officers			
Mr. Tan Wei Chee[5]	Band A	Band A	Band A
Mr. Huang Junquan[5]	Band A	Band A	Band A

Notes:

(1) Remuneration includes any bonus (discretionary or under any profit-sharing plan or any other profit-linked arrangement), CPF contribution, benefit-in-kind and deferred compensation accrued for the relevant financial year and payable at a later date.

(2) "Band A" refers to remuneration of up to S$250,000 per annum.

(3) For the purpose of estimation, no account is taken for any bonus (discretionary or under any profit-sharing plan or any other profit-linked arrangements) which has not yet been paid.

(4) Our Non-Executive Non-Independent Chairman, Mr. Jeremy Yee, and our Non-Executive Non-Independent Director, Mr. Johnson Chen, have elected not to receive directors' fees for FY2018.

(5) A portion of the remuneration of our Executive Director and Executive Officers is linked to the attainment of certain sales and/or profit targets that may be determined by our management from time to time.

Share Options

On 25 May 2011, we adopted the ESOS to grant options to purchase Shares to our employees, directors, advisers and consultants. The table below sets out the details of such options granted to our Directors and Executive Officers:

	Date of Grant	Number of Shares	Exercise Price per Share (S$)	Exercise Period
Mr. Johnson Chen	25 May 2011	4,706	0.03	4 September 2018 to 21 September 2018[(1)]
	3 January 2014	6,500	4.51	
	1 October 2015	2,436	6.92	
Mr. Huang Junquan	25 June 2012	588	1.36	4 September 2018 to 21 September 2018[(1)]
	3 January 2014	563	4.51	
	1 October 2015	702	6.92	

Note:

(1) Upon the expiry of such exercise period, all options granted under our ESOS which had not vested and had not been exercised were deemed to have expired and be null and void.

There was no purchase price for the options granted under our ESOS.

On 26 September 2018, our Non-Executive Non-Independent Director, Mr. Johnson Chen and our COO, Mr. Huang Junquan exercised their options to subscribe for Shares in accordance with the terms and conditions of our ESOS (as amended on 4 September 2018). Please refer to the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document for further details.

Our ESOS was terminated on 26 September 2018.

Employees who are Immediate Family Members of Our Directors, CEO or Substantial Shareholders

As of the Latest Practicable Date, none of our employees is an immediate family member of our Directors, CEO or Substantial Shareholders.

The remuneration of employees who are immediate family members of our Directors, CEO or Substantial Shareholders will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for such employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of employees who are immediate family members of our Directors, CEO or Substantial Shareholders and the proposed terms of their employment will be subject to the review and approval of our Nominating Committee. In the event that a member of our Remuneration Committee or the Nominating Committee is related to the employee under review, he will abstain from the review.

Pension or Retirement

Save for the amounts set aside or accrued in respect of mandatory employee funds, we have not set aside or accrued any amounts to provide pension, retirement or similar benefits to our employees and Directors.

SERVICE AGREEMENT

Our Company entered into a Service Agreement with our Executive Director and CEO, Mr. Ivan Lew, on 23 November 2018.

The Service Agreement is for an initial period of three years (the "Initial Term") commencing with effect from the date of admission of our Company to Catalist, and shall be automatically renewed on a yearly basis thereafter unless otherwise agreed in writing between our Company and Mr. Ivan Lew or terminated in accordance with the terms of the Service Agreement, provided always that the employment shall terminate automatically upon Mr. Ivan Lew ceasing to hold office as a Director. The Service Agreement may also be terminated by either party giving not less than six months' notice in writing to the other. The parties may, by mutual agreement, waive or vary the notice requirement. Our Company may also terminate the Service Agreement upon the occurrence of certain events such as if Mr. Ivan Lew commits any material or repeated breach of any of the provisions of the Service Agreement, is guilty of fraud, dishonesty or serious misconduct, 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 expiry or termination of the Service Agreement, Mr. Ivan Lew shall, upon the request of our Company, resign from all offices held in our Company and shall deliver to our Company, in proper order and condition, all books, documents, papers, materials and any other property or assets relating to our business or affairs which may then be in his possession or under his control.

The remuneration of Mr. Ivan Lew is subject to review from time to time and may be increased thereafter by such amount as may be determined by our Board in its absolute discretion, with Mr. Ivan Lew abstaining from voting on any such resolution. Mr. Ivan Lew shall also be entitled to an annual wage supplement of one month's salary in respect of each complete year of service or part thereof.

In addition, after the first 12 months of employment, Mr. Ivan Lew may, in respect of each financial year, be entitled to receive an annual performance bonus after the audited financial statements for the relevant year have been approved by our Board, which shall be at the sole discretion of our Board and/or Remuneration Committee, taking into account the performance of Mr. Ivan Lew and of our Company against performance goals set by our Company.

Our Remuneration Committee shall also review the remuneration of Mr. Ivan Lew to ensure that his remuneration package is in line with staff remuneration guidelines and commensurate with his job scope and level of responsibility.

Mr. Ivan Lew shall also, subject to the rules of the Biolidics Performance Share Plan, be eligible to participate in the Biolidics Performance Share Plan on such terms as may be determined by the Administration Committee at its sole and absolute discretion.

The reimbursement of any medical expenses of Mr. Ivan Lew shall be determined in accordance with our Company's policies in place from time to time. All travelling, accommodation, entertainment and other out-of-pocket expenses reasonably incurred by him in the course of his employment will also be reimbursed by our Company.

Under the terms of the Service Agreement, Mr. Ivan Lew is subject to certain restrictive covenants as described below. Mr. Ivan Lew is also prohibited, whether during the term of his employment with our Company or after the expiry or termination thereof for whatever reason, from using for his own or another's advantage, or revealing to any person, firm or company, or causing any unauthorised disclosure of any of the trade secrets, business methods or information which he knew or ought reasonably to have known to be confidential concerning the business or affairs of our Company, so far as such information had come to his knowledge during the period of his employment with our Company. Mr. Ivan Lew shall not at any time during the period of his employment with our Company and for a period of one year after the expiry or termination of such employment for whatever reason, do or permit any of the following without the prior written consent of our Company in Singapore, China, the US, the EU, Japan and Southeast Asia (the "Restricted Area"):

(a) directly or indirectly carry on or be engaged or interested or assist in any capacity in any other business, trade or occupation whatsoever that is carried out in the Restricted Area which would or might reasonably be considered to compete with the business of developing, marketing and selling a range of medical technology products, any other related services, and any business activities of our Company with which the duties of Mr. Ivan Lew were materially concerned or for which he was responsible during his employment with our Company (the "Restricted Services"), except as disclosed or declared in writing to our Company prior to the date of the Service Agreement and provided always that this shall not prohibit his holding or being interested in shares or debentures of not more than 5.0% of the total issued share capital of any other company listed on any stock exchange;

(b) either on his own account or for any person, firm, company or organisation solicit or entice or endeavour to solicit or entice away from our Company, or directly or indirectly employ, any person who, at any time during Mr. Ivan Lew's employment with our Company, was a director or employee of our Company who by reason of that position, seniority and expertise or knowledge of confidential information or knowledge of or influence over the clients, customers or contacts of our Company is likely to cause damage to our Company if such person were to leave the employment of our Company and with whom during such relevant period Mr. Ivan Lew had material business dealings; or

(c) either on his own account or for any person, firm, company or organisation solicit or interfere with or endeavour to solicit or interfere with our Company's relationship with (i) any person who, at any time during Mr. Ivan Lew's employment with our Company, was a client or customer of our Company to which our Company supplied the Restricted Services and with whom during such period Mr. Ivan Lew, or any employee who was under his direct or indirect supervision, had material business dealings ("Restricted Client") or (ii) any person (other than a Restricted Client) who, at any time during Mr. Ivan Lew's employment with our Company, was a person from whom our Company has actively solicited or has solicited business, provided always that this shall not prohibit the seeking or doing of business not in direct or indirect competition with the Restricted Services.

In addition, Mr. Ivan Lew shall inform our Company if any competitor of our Company solicits or entices or endeavours to solicit or entice him and/or his staff and team away from our Company's employment.

No fees are payable to Mr. Ivan Lew in the event the Service Agreement is terminated.

There are no existing or proposed service agreements entered into or to be entered into by our Directors with our Company which provide for benefits upon termination of employment.

CORPORATE GOVERNANCE

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed, in order to enhance long-term shareholder value through enhancing corporate performance and accountability. Good corporate governance therefore embodies both enterprise (performance) and accountability (conformance).

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders. Our Board has formed three committees, namely the Audit Committee, the Nominating Committee and the Remuneration Committee.

We have seven Directors on our Board, of which four are Independent Directors. Our Independent Directors do not have any existing business or professional relationship of a material nature with our Company, our other Directors and/or Substantial Shareholders. Our Independent Directors are also not related to our other Directors and/or Substantial Shareholders.

We have appointed Mr. Leong Yow Seng as our Lead Independent Director. The Lead Independent Director will be available to Shareholders where they have concerns and for which contact through the normal channels of communication with our Non-Executive Non-Independent Chairman or management are inappropriate or inadequate.

Our Directors are of the view that given the current board composition and based on the above, there are sufficient safeguards and checks to ensure that the process of decision-making by our Board is independent and based on collective decision-making.

Audit Committee

Our Audit Committee comprises our Lead Independent Director, Mr. Leong Yow Seng, and our Independent Directors, Mr. James Ong and Ms. Toh Shih Hua. The chairman of our Audit Committee is Ms. Toh Shih Hua. Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Company.

Our Audit Committee will provide a channel of communication between our Board, our management, our internal auditors and our external auditors on matters relating to audit.

Our Audit Committee will meet periodically and will, among others, carry out the following functions:

(a) assist our Board in the discharge of its responsibilities on financial and reporting matters;

(b) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of our system of internal accounting controls, their management letter and our management's response, and results of our audits compiled by our internal and external auditors, and will review at regular intervals with our management the implementation by our Company of the internal control recommendations made by the internal and external auditors;

(c) review the periodic financial statements and any formal announcements relating to our Company's financial performance before submission to our Board for approval, focusing, in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audits, the going concern statement, compliance with financial reporting standards as well as compliance with the Rules of Catalist and any other statutory or regulatory requirements, concerns and issues arising from the audits, including any matters which the auditors may wish to discuss in the absence of our management, where necessary;

(d) review our cash management processes;

(e) review and report to our Board, at least annually, the effectiveness and adequacy of our internal controls and procedures, addressing financial, operational, information technology and compliance risks and discuss issues and concerns, if any, arising from the internal audits;

(f) review the independence and objectivity of the internal and external auditors as well as consider the appointment or re-appointment of internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;

(g) commission and review the findings of internal investigations into, and discuss with the internal and external auditors, any suspected fraud or irregularity, or suspected infringement of any laws, rules or regulations which has or is likely to have a material impact on our Company's results of operations or financial position, and our management's response;

(h) review our financial risk areas, with a view to providing an independent oversight of our Company's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET;

(i) review the cooperation given by our management to our internal and external auditors;

(j) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Rules of Catalist (if any);

(k) review any potential conflicts of interest and set out a framework to resolve or mitigate any potential conflict of interest;

(l) review and approve all hedging policies and instruments (if any) to be implemented by our Company;

(m) review and establish procedures for receipt, retention and treatment of complaints received by our Company concerning, among others, criminal offences involving our Company or our employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Company, and ensure that there are arrangements in place for independent investigation and follow-up action;

(n) review the procedures by which our employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to the chairman of our Audit Committee, and ensure that there are arrangements in place for independent investigation and follow-up action;

(o) such other responsibilities as may be required by statute and/or the Rules of Catalist and/or as recommended by the Code of Corporate Governance, and by such amendments made thereto from time to time;

(p) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising therefrom and which require the attention of our Audit Committee; and

(q) monitor the implementation of a policy and procedures for sustainability reporting.

In addition to the duties listed above, our Audit Committee shall also commission an annual internal controls audit until such time that it is satisfied that the internal controls of our Company are robust and effective in mitigating any key internal control weaknesses our Company may have. Prior to decommissioning such annual internal controls audit, our Board shall report to the Sponsor and SGX-ST the basis for deciding to decommission the annual internal controls audit, as well as the measures taken to rectify our key weaknesses in and/or strengthen the internal controls of our Company. Thereafter, our Audit Committee shall commission such audits as and when it deems fit for the purposes of satisfying itself that the internal controls of our Company have remained robust and effective. Upon the completion of an internal controls audit, our Board shall make the appropriate disclosures via SGXNET of any weaknesses in our Company's internal controls which may be material or of a price-sensitive nature, as well as any follow-up actions to be taken by our Board.

Each member of our Audit Committee shall abstain from voting on any resolutions in respect of matters in which he or she is interested.

Based on the internal controls and risk management framework established and maintained by our Company, work performed by the internal and external auditors, and reviews performed by our management and various Board committees, our Board, with the concurrence of our Audit Committee, is of the opinion that our risk management and internal controls are adequate and effective to address the financial, operational, compliance and information technology risks of our Company.

Our Audit Committee, after having interviewed our Financial Controller, Mr. Tan Wei Chee, and:

(a) considered his qualifications and past working experience (as described in "Management and Corporate Governance – Executive Officers" above);

(b) observed his familiarity, diligence and competency in relation to the financial matters and information of our Company in connection with the preparation for the listing of our Company; and

(c) noted the absence of negative feedback from Deloitte & Touche LLP, our Independent Auditor and Reporting Accountant,

is of the view that Mr. Tan Wei Chee is suitable for the position of Financial Controller.

After making all reasonable enquiries, and to the best of the knowledge and belief of our Audit Committee, nothing has come to the attention of the members of our Audit Committee to cause them to believe that our Financial Controller, Mr. Tan Wei Chee, does not have the competence, character and integrity expected of a financial controller of a listed issuer.

Nominating Committee

Our Nominating Committee comprises our Non-Executive Non-Independent Director, Mr. Johnson Chen, our Lead Independent Director, Mr. Leong Yow Seng and our Independent Director, Mr. James Ong. The chairman of our Nominating Committee is Mr. James Ong. Our Nominating Committee will be responsible for the following functions:

(a) review and recommend to our Board the appointment of new directors and executive officers, including re-nominations of existing Directors for re-election in accordance with our Constitution, taking into account the Director's contribution and performance;

(b) review and approve any new employment of persons related to our Directors, CEO or Substantial Shareholders and the proposed terms of their employment;

(c) determine on an annual basis whether or not a Director is independent;

(d) review and decide whether or not a Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;

(e) review the training and professional development programs for the Board;

(f) review the succession plans for Directors;

(g) review our Directors' mix of skills, experience, core competencies and knowledge of our Company that our Board requires to function competently and efficiently;

(h) determine and recommend to our Board the maximum number of listed company board representations which any Director may hold and disclosing this in our annual report;

(i) develop a process for evaluation of the performance of our Board as a whole and its committees, and assess the contribution of each Director to the effectiveness of our Board; and

(j) such other responsibilities as may be required by statute and/or the Rules of Catalist and/or as recommended by the Code of Corporate Governance, and by such amendments made thereto from time to time.

Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

Our Nominating Committee, after having considered the following:

(a) the principal occupation and commitments of our Independent Directors, including the number of listed company board representations that each of them has;

(b) the attendance to-date at board meetings of listed companies that each of our Independent Directors serves as independent directors;

(c) the confirmations by our Independent Directors that they are able to devote sufficient time and attention to the matters of our Company;

(d) the professional experience and expertise of our Independent Directors; and

(e) the composition of our Board,

is of the opinion that Mr. Leong Yow Seng, Mr. James Ong, Mr. Peter Koh and Ms. Toh Shih Hua are able to commit sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience to be appointed as our Independent Directors.

Remuneration Committee

Our Remuneration Committee comprises our Non-Executive Non-Independent Chairman, Mr. Jeremy Yee, our Lead Independent Director, Mr. Leong Yow Seng and our Independent Director, Mr. Peter Koh. The chairman of our Remuneration Committee is Mr. Leong Yow Seng. Our Remuneration Committee shall recommend to our Board a framework of remuneration for our Directors, CEO and Executive Officers, as well as the specific remuneration package for our Executive Director. The quantum of the bonus of our Executive Director will be subject to the approval of our Remuneration Committee.

Our Remuneration Committee is also responsible for the administration of the Biolidics Performance Share Plan.

The recommendations of our Remuneration Committee shall be submitted for endorsement by our entire Board. The scope of responsibilities of our Remuneration Committee encompasses all aspects of remuneration, including, but not limited, to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. Our Remuneration Committee shall also review the remuneration of our Executive Officers and employees related to our Directors, CEO or Substantial Shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibility. Our Remuneration Committee will also review and approve any bonuses, pay increments and/or promotions for our Executive Officers and these related employees. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his or her remuneration package.

If necessary, our Remuneration Committee shall seek expert advice from external consultants on remuneration matters.

Board Practices

The period for which each of our Directors has served in office in our Company is set out below:

Director	Date of Appointment
Mr. Jeremy Yee	27 April 2017
Mr. Ivan Lew	19 September 2018
Mr. Johnson Chen	19 July 2009
Mr. Leong Yow Seng	20 November 2018
Mr. James Ong	20 November 2018
Mr. Peter Koh	20 November 2018
Ms. Toh Shih Hua	20 November 2018

Our Directors have no fixed terms of office. Our Directors are to be appointed by our Shareholders at a general meeting and an election of Directors is held annually. One-third (or the number nearest to one-third) of our Directors are required to retire from office at least once every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires.

On 20 November 2018, our Shareholders approved the Plan.

The primary objective of the Plan is to retain employees whose contributions are essential to the well-being and prosperity of our Company and to give recognition to outstanding employees who have contributed to the growth of our Company.

Any person shall be eligible to participate in the Plan at the absolute discretion of the Administration Committee, provided that at the date of any grant of an Award such person must: (a) be confirmed in his employment with our Company; (b) have attained the age of 21 years; and (c) not be an undischarged bankrupt and must not have entered into a composition with his creditors. In addition, non-executive Directors (including Independent Directors) who satisfy (b) and (c) shall also be eligible to participate in the Plan. However, Controlling Shareholders and their associates are not eligible to participate in the Plan.

Eligible participants (the "Participants") under the Plan will have the opportunity to participate in the equity of our Company, thereby inculcating a stronger sense of identification with our long-term prosperity and promoting organisational commitment, dedication and loyalty of Participants towards our Company, as well as motivating Participants to strive towards performance excellence and to maintain a high level of contribution to our Company. The Plan also affords our Company greater flexibility in structuring compensation packages so that we are able to make employee remuneration sufficiently competitive to recruit new employees and/or to retain existing employees whose contributions are important to the long-term growth and profitability of our Company.

Under the Plan, a Participant may be granted Awards of Shares. The eligibility of Participants, the number of Shares which are the subject of each Award to be granted to a Participant and the vesting period shall be determined at the absolute discretion of the Administration Committee, taking into account factors including our financial performance and factors such as the rank, job performance, potential for future development and contribution to the success and development of our Company of a Participant. The Administration Committee may grant Awards in relation to which a performance condition is specified ("Performance-related Awards"). In relation to each Performance-related Award, the Administration Committee must determine that the relevant performance condition has been satisfied during the relevant performance period before the Shares comprised in the Award may be allotted or transferred to the relevant Participant. If the Administration Committee determines, in its sole discretion, that the relevant performance condition has not been satisfied during the relevant performance period, or if the relevant Participant (being an employee of our Company) has not continued to be an employee from the date of grant up to the end of the relevant performance period, the Performance-related Award will lapse.

As of the date of this Offer Document, no Awards have been granted under the Plan.

The rules of the Plan are stated in "Rules of the Biolidics Performance Share Plan", as set out in Appendix F to this Offer Document. The rules of the Plan may also be inspected by Shareholders at our registered office for a period of six months from the date of registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority.

Administration of the Plan

The Plan will be administered by the Administration Committee in its absolute discretion with such powers and duties as are conferred on it by our Board. In compliance with the requirements of the

Rules of Catalist, a Participant who is a member of the Administration Committee shall not be involved in any deliberation or decision in respect of Awards granted or to be granted to him or held by him.

Size of the Plan

At any point in time, the aggregate number of Shares which may be issued and/or transferred pursuant to the Plan and all options or awards granted under any other schemes implemented by our Company and for the time being in force, shall not exceed 15.0% of the number of all issued Shares (excluding treasury Shares and subsidiary holdings) on the day preceding that date.

To enjoy greater flexibility in structuring remuneration and compensation packages, we believe that our Company should have a sufficient number of Shares to accommodate Awards issued under the Plan. Taking into consideration the size of our Company's post-Placement share capital as well as the number of potential eligible Participants under the Plan, we believe that the 15.0% limit is necessary to accommodate the number of potential Participants to whom Awards may be granted under the Plan over the 10-year duration of the Plan.

Duration of the Plan

The Plan shall continue in force at the discretion of the Administration Committee for a maximum period of 10 years commencing on the date on which the Plan was adopted by our Company in general meeting, provided always that the Plan may continue beyond the above stipulated period with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Abstention from Voting

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Plan, including relating to participation in the Plan and grant of Awards to the Participants. Participants may act as proxies of Shareholders in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

Disclosures in Annual Report

We will make the following disclosures (as applicable) in our annual report for so long as the Plan continues in operation:

(a) the names of the members of the Administration Committee;

(b) the information required in the table below for the following Participants:

  (i) Participants who are Directors;

  (ii) Participants who are Controlling Shareholders and their associates; and

  (iii) Participants, other than those in paragraphs (i) and (ii) above, who receive Awards comprising Shares representing 5.0% or more of the total number of Shares available under the Plan;

Name of Participant	Aggregate number of Shares comprised in Awards which have been granted during the financial year under review	Number of new Shares allotted and existing Shares purchased for delivery pursuant to release of Awards during the financial year under review and terms of such Awards	Number of new Shares allotted and existing Shares purchased for delivery pursuant to release of Awards since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been released as of the end of the financial year under review

(c) (i) the aggregate number of Shares comprised in Awards granted since the commencement of the Plan to the end of the financial year under review;

(ii) the aggregate number of Shares comprised in Awards which have vested during the financial year under review and in respect of such Awards, the proportion of Shares issued and, where applicable, existing Shares purchased, including the range of prices at which such Shares have been purchased, upon the vesting of released Awards; and

(iii) the aggregate number of Shares comprised in Awards which have not been released as of the end of the financial year under review; and

(d) such other information as may be required by the Rules of Catalist or the Companies Act,

provided that if any of the above disclosures are not applicable, an appropriate negative statement will be included.

Participation by Non-Executive Directors (including Independent Directors) in the Plan

While the Plan caters principally to employees of our Company, it is recognised that there are other persons who make significant contributions to our Company through their close working relationships with our Company, even though they are not employed within our Company. Such persons include our Directors who are non-executive Directors, including our Independent Directors.

Directors who are non-executive Directors are persons from different professions and working backgrounds, bringing to our Company their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping our Company shape its business strategy by allowing our Company to draw on their diverse backgrounds and working experience. It is crucial for our Company to attract, retain and incentivise Directors who are non-executive Directors. By aligning their interests with the interests of Shareholders, our Company aims to inculcate a sense of commitment on the part of the Directors who are non-executive Directors towards serving the short-term and long-term objectives of our Company.

The Directors are of the view that including Directors who are non-executive Directors in the Plan, to the extent permissible under all applicable laws, including the Companies Act, will show our Company's appreciation for, and further motivate them in, their contribution towards the success of our Company. While it is desired that participation in the Plan be made open to Directors who are non-executive Directors, their services and contributions cannot be measured in the same way

as the full-time employees of our Company, and as such, any Awards that may be granted to any such Director would be intended only as a token of our Company's appreciation.

In order to minimise any potential conflict of interests and so as to not compromise the independence of our Independent Directors, our Company intends to grant only a nominal number of Awards under the Plan to Independent Directors.

Financial Effects of the Plan

The SFRS(I) requires the fair value of employee services received in exchange for the grant of our Shares to be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each Share granted at the grant date and the number of Shares vested by the vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of Shares that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made.

When new Shares are issued to participants, the share capital will increase. If existing Shares are purchased, as opposed to new Shares issued, for delivery to participants, the Plan will have no impact on our Company's share capital.

Our NAV will be decreased by the amount of expenses charged to the income statement if existing Shares are purchased. If new Shares are issued, there would be no effect on our NAV due to the offsetting effect of expenses recognised and increased equity.

During the vesting period, our EPS would be reduced by both the expense recognised and the potential Shares to be issued under the Plan. NAV per Share would be diluted as a result of the reduced NAV if existing Shares are purchased or the increased share capital if new Shares are issued.

The following statements are summaries of our capital structure and the more important rights and privileges of our Shareholders as conferred by the laws of Singapore and our Constitution. These statements summarise material provisions of our Constitution but are qualified in entirety by reference to our Constitution and the laws of Singapore. Please refer to "Summary of Selected Provisions of Our Constitution", as set out in Appendix D to this Offer Document, for further details.

A copy of our Constitution will be available for inspection at our registered office during normal business hours for a period of six months from the date of the registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority.

Shares

Subject to the provisions of the Companies Act and the Rules of Catalist, our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Directors may think fit and we may issue preference shares which are, or at our option are, redeemable, subject to certain limitations. Our Shares do not have a par value.

As of the Latest Practicable Date, our issued share capital was approximately S$36.9 million, comprising 1,268,678 Shares. As of the Latest Practicable Date, there was only one class of shares in the capital of our Company.

As of the date of this Offer Document, all of our Shares have been issued and fully paid-up. All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the Rules of Catalist, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

Shareholders

Only persons who are registered in our register of members and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for our Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. We may close our register of members for any time or times if we provide SGX-ST at least five clear Market Days' notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We would typically close the register to determine our Shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully-paid Shares except where required by law, the Rules of Catalist or the bye-laws of SGX-ST, but our Directors may, in their absolute discretion, decline to register any transfer of Shares upon which our Company has a lien and, in the case of Shares not fully paid-up, may refuse to register a transfer to a transferee of whom they do not approve. Our Directors may also decline to register any instrument of transfer unless, among others, it has been duly stamped and is presented for registration together with the Share certificate and such other evidence of title as our Directors may require. Shares may be transferred by a duly signed instrument of transfer in a form approved by our Directors and SGX-ST. A Shareholder may transfer any Shares held through SGX-ST's book-entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

We will replace lost or destroyed certificates for Shares if we are properly notified and the applicant pays a fee which will not exceed S$2.00 and furnishes any evidence and indemnity that our Board may require.

General Meetings of Shareholders

We are required to hold an annual general meeting within four months after the end of each financial year.

Our Board may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total voting rights of all our Shareholders request in writing that such a meeting be held. In addition, two or more of our Shareholders holding not less than 10.0% of our issued Share capital (excluding treasury Shares) may call a meeting.

Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, such as voluntary winding up of our Company, amendments to our Constitution, a change of our corporate name and a reduction in our share capital.

We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to every Shareholder holding Shares conferring the right to attend and vote at the meeting and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business. For so long as we are listed on SGX-ST, at least 14 days' notice of all general meetings must be given by advertisement in the daily press and in writing to SGX-ST. All general meetings must be held in Singapore.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy does not need to be a Shareholder. A person who holds Shares through SGX-ST's book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register 72 hours before the general meeting. For the purpose of determining the number of votes which a Shareholder, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to Shares held or represented shall, in relation to Shares of that Depositor, be the number of Shares entered against his name in the Depository Register as of 72 hours before the time of the relevant general meeting (or such other time specified in Section 81SJ of the SFA), as certified by the Depository to us.

Except as otherwise provided in our Constitution, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution:

- on a show of hands, every Shareholder present in person or by proxy shall have one vote provided that (a) in the case of a Shareholder (not being a relevant intermediary (as defined below)) who is represented by two proxies, only one of the two proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting (or by a person authorised by the chairman of the meeting) in his sole discretion, shall be entitled to vote on a show of hands and (b) in the case of a Shareholder (being a relevant intermediary) who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands and shall have one vote each; and

- on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents.

In addition, the following types of members ("relevant intermediaries" and each, a "relevant intermediary") are allowed to appoint more than two proxies:

- a licensed bank or its wholly-owned subsidiary which provides nominee services and holds Shares in that capacity;

- a capital market services licence holder which provides custodial services for securities and holds Shares in that capacity; and

- the CPF Board, in respect of Shares purchased on behalf of CPF members.

The Rules of Catalist require all resolutions at general meetings to be voted by poll. In the case of a tie vote, the chairman of the meeting shall be entitled to a casting vote.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. We must pay all dividends out of our profits. We may satisfy dividends by the issuance of Shares to our Shareholders. Please refer to the section titled "Description of our Shares – Bonus and Rights Issue" below. All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issuance of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issue

Our Board may, with the approval of our Shareholders at a general meeting, capitalise any reserves or profits (including profits or monies carried and standing to any reserve) and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Our Board may also issue bonus Shares to participants of any share incentive or option scheme or plan adopted by our Company and approved by our Shareholders in such manner and on such terms as our Board shall think fit.

Our Board may also issue rights to take up additional Shares to other Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which our Shares are listed.

Take-overs

Under the Take-over Code issued by the Authority pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with persons acting or presumed to be acting in concert with him, in 30.0% or more of our voting Shares must extend a take-over offer for the remaining voting Shares in accordance with the provisions of the Take-over Code. In addition, a

mandatory take-over offer is also required to be made if a person holding, either on his own or together with persons acting or presumed to be acting in concert with him, between 30.0% and 50.0% (both inclusive) of our voting Shares acquires additional voting Shares representing more than 1.0% of our voting Shares in any six-month period.

Liquidation or Other Return of Capital

If we are liquidated or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares in our Company.

Indemnity

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by us against all claims, proceedings, demands, causes of action, liabilities, damages, losses, costs, charges and expenses brought against or suffered or incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto.

Subject to certain exceptions, we may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to us. Such exceptions are: (a) the purchase and maintenance for our Directors and officers of insurance against any such liability; and (b) circumstances where the provision for indemnity is against liability incurred by our Directors and officers to a person other than our Company, except when the indemnity is against (i) any liability of our Director or officer to pay a fine in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or (ii) any liability incurred by our Director or officer (A) in defending criminal proceedings in which he is convicted; (B) in defending civil proceedings brought by our Company or a related company in which judgment is given against him; or (C) in connection with an application for relief under Section 76A(13) or Section 391 of the Companies Act in which the court refuses to grant him relief.

Limitations on Rights to Hold or Vote Shares

Except as described in "Description of our Shares – Voting Rights" and "Description of our Shares – Take-overs" above, there are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident Shareholders to hold or vote their shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations where:

(a) our affairs are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders, including the applicant; or

(b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the relief they may grant and such relief is in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:

(a) direct or prohibit any act or cancel or vary any transaction or resolution;

(b) regulate the conduct of our affairs in the future;

(c) authorise civil proceedings to be brought in our name, or on our behalf, by such person or persons and on such terms as the court may direct;

(d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us;

(e) in the case of a purchase of Shares by our Company, provide for a reduction accordingly of our Company's capital; or

(f) provide that we be wound up.

Treasury Shares

Our Constitution expressly permits our Company to purchase or acquire Shares or stocks of our Company and to hold such Shares or stocks (or any of them) in treasury in accordance with the requirements of the Companies Act. Our Company may make a purchase or acquisition of our own Shares (a) on a securities exchange if the purchase or acquisition has been authorised in advance by our Company in general meeting; or (b) otherwise than on an approved exchange in Singapore or any securities exchange outside Singapore if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by our Company in general meeting. The aggregate number of Shares held as treasury Shares shall not at any time exceed 10.0% of the total number of Shares of our Company at that time. Any excess Shares shall be disposed of or cancelled before the end of a period of six months beginning with the day on which that contravention of limit occurs, or such further period as the Registrar of Companies may allow. Where Shares or stocks are held in treasury by our Company through purchase or acquisition by our Company, our Company shall be entered in the register as the Shareholder holding those Shares or stocks.

Our Company shall not exercise any right in respect of the treasury Shares and any purported exercise of such a right is void. Such rights include any right to attend or vote at meetings and our Company shall be treated as having no right to vote and the treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to Shareholders on a winding up) may be made to our Company in respect of the treasury Shares. However, this would not prevent an allotment of Shares as fully-paid bonus Shares in respect of the treasury Shares or the sub-division or consolidation of any treasury Share into treasury Shares of a greater or smaller amount, if the total value of the treasury Shares after the sub-division or consolidation is the same as the total value of the treasury Share before the sub-division or consolidation, as the case may be.

Where Shares are held as treasury Shares, our Company may at any time (a) sell the Shares (or any of them) for cash; (b) transfer the Shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons; (c) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; (d) cancel the Shares (or any of them); or (e) sell, transfer or otherwise use the treasury Shares for such other purposes as the Minister for Finance may by order prescribe.

The following is a summary of certain Singapore income tax, stamp duty and GST consequences of purchasing, holding or disposing of our Shares. This summary is based on current tax laws in Singapore and regulations and decisions now in effect, all of which are subject to change (possibly with retroactive effect). This summary is not intended to be or to be regarded as advice on the tax position of any investor or of any person purchasing, holding or otherwise dealing with our Shares. The statements made herein do not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, hold or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors.

Prospective investors should consult their own professional tax advisers regarding the Singapore and foreign income tax, stamp duty, estate duty and other tax consequences of purchasing, holding or disposing of our Shares. It is emphasised that neither we, our Directors, nor any other persons involved in this Placement accept responsibility for any tax effects or liabilities resulting from purchasing, holding or disposing of our Shares.

Income Tax

Corporate Income Tax

Corporate taxpayers (both resident and non-resident) are subject to Singapore income tax on:

(a) income accruing in or derived from Singapore; and

(b) foreign-sourced income received or deemed received in Singapore, unless otherwise exempted.

A company is regarded as tax resident in Singapore if the control and management of the company's business is exercised in Singapore. Generally, control and management of the company is vested in its board of directors and the place of residence of the company is where the directors meet.

Tax exemption will be granted to a Singapore tax resident corporate taxpayer on its foreign-sourced dividends, foreign branch profits and foreign-sourced service income ("specified foreign income") received or deemed to be received in Singapore on or after 1 June 2003 provided that the following qualifying conditions are met:

(a) the income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which the income is received;

(b) at the time the income is received in Singapore by the person resident in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15.0%; and

(c) the Comptroller of Income Tax (the "Comptroller") is satisfied that the tax exemption would be beneficial to the person resident in Singapore.

The prevailing corporate income tax rate in Singapore is 17.0% with the first S$300,000 of a company's normal chargeable income being partially exempt from tax as follows:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$290,000 of chargeable income.

From the Year of Assessment 2020, the first S$200,000 of a company's normal chargeable income is partially exempt from tax as follows:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$190,000 of chargeable income.

As announced by the Minister for Finance in the 2018 Singapore budget, companies will enjoy a 40.0% corporate income tax rebate on the corporate income tax payable for the Year of Assessment 2018, subject to a cap of S$15,000. The corporate income tax rebate will be extended for another year to Year of Assessment 2019 but at a reduced rate of 20.0% of the corporate income tax payable and capped at S$10,000.

Individual Income Tax

An individual is regarded as a tax resident in Singapore in a year of assessment if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received in Singapore by an individual taxpayer, regardless of whether he/she is resident or non-resident in Singapore, is generally exempt from income tax in Singapore except for such income received through a partnership in Singapore by resident individuals.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0.0% to 22.0%, after deductions of qualifying personal reliefs where applicable. A non-Singapore tax resident individual is taxed at the rate of 22.0% on director's fees and other income (subject to certain exceptions and conditions), while Singapore employment income is taxed at a flat rate of 15.0% or at resident rates, whichever yields a higher tax.

Dividend Distributions

Singapore currently adopts the one-tier system of corporate taxation. Under the one-tier system, the tax paid by a Singapore resident company is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax exempt (one-tier) dividends. Such dividends are tax exempt in the hands of the shareholders regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident. Singapore does not currently impose withholding tax on dividends paid to resident and non-resident shareholders.

Shareholders/investors are advised to consult their own tax advisers in respect of the tax laws of their respective countries of residence which are applicable on such dividends received by them and the applicability of any double taxation agreement that their country of residence may have with other jurisdictions.

Gains on Disposal of Shares

Singapore currently does not impose tax on capital gains. Any gains or profits derived from the disposal of our Shares, if regarded as capital gains, are not taxable in Singapore.

However, gains may be construed to be of an income nature and subject to Singapore income tax if they arise from any trade, business, profession or vocation carried on by that person and are accrued in or derived from Singapore.

Section 13Z of the Singapore Income Tax Act provides a safe harbour in relation to gains derived from the disposals of ordinary shareholdings. Gains derived by a divesting company from its disposal of ordinary shares in an investee company during the period from 1 June 2012 to 31 May 2022 (both dates inclusive) will not be taxable if the divesting company had held at least 20.0% of the ordinary shares in the investee company for a continuous period of at least 24 months immediately prior to the date of share disposal.

The above tax exemption is not applicable to the disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development) or the disposal of shares of a preferential nature or shares with redeemable or convertible features.

As the precise tax status of one Shareholder will vary from another, Shareholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

In addition, Shareholders who adopt the tax treatment to be aligned with the SFRS(I) 9 may be required, for Singapore income tax purposes, to recognise gains or losses (not being gains or losses in the nature of capital) on our Shares even though no sale or disposal of our Shares is made. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

Stamp Duty

There is no stamp duty payable on the subscription for, allotment or holding of our Shares.

Where our Shares evidenced in certificated form are acquired in Singapore and where our Company is incorporated in Singapore, stamp duty is payable on the instrument of transfer of our Shares at the rate of 0.2% of the consideration paid or market value of our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary.

No stamp duty is payable upon transfer of our Shares if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore and not brought into Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the scripless trading system operated by CDP.

GST

The sale of our Shares by an investor belonging in Singapore to another person belonging in Singapore is an exempt supply for GST purposes. Any input GST (such as GST on brokerage) incurred by a GST-registered investor in making such an exempt supply is generally not recoverable from the Comptroller of GST unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions granted by the Comptroller of GST.

Where our Shares are sold by a GST-registered investor in the course of a business to a person belonging outside Singapore and that person is outside Singapore at the time the sale is executed, the sale is generally a taxable supply subject to GST at zero rate, subject to the satisfaction of certain conditions. Any input GST incurred by a GST-registered investor in the making of this taxable supply in the course of or furtherance of a business carried on by him, subject to the satisfaction of input tax recovery rules, may be recovered from the Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and disposition of our Shares.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of our Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the standard rate, currently at 7.0%. Similar services rendered to an investor belonging outside Singapore are generally subject to GST at zero rate, provided that the investor is outside Singapore when the services are performed and the services provided do not directly benefit any Singapore persons.

Estate Duty

Singapore estate duty had been abolished for all deaths occurring on or after 15 February 2008.

For the purposes of trading on SGX-ST, a board lot of our Shares will comprise 100 Shares. Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through Catalist will be effected in accordance with the terms and conditions for the operation of securities accounts maintained by a Depositor with CDP ("Securities Accounts"), as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts. Persons named as direct Securities Account holders and Depository Agents in the Depository Register, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts may withdraw the number of Shares they own from the book-entry settlement system in the form of physical Share certificates. Such Share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be prima facie evidence of title and may be transferred in accordance with our Constitution. A fee of S$10.00 for each withdrawal of 1,000 Shares or less and a fee of S$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical Share certificates. In addition, a fee of S$2.00, or such other amount as our Directors may decide, is payable to the Share Registrar for each Share certificate issued and a stamp duty of S$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S$0.20 per S$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third party. Persons holding physical Share certificates who wish to trade on Catalist must deposit with CDP their Share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Pursuant to announced rules effective from 1 June 2014, transfers and settlements pursuant to on-exchange trades will be charged a fee of S$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No stamp duty for transfer is currently payable for our Shares that are settled on a book-entry basis. A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value, subject to a minimum of S$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealing in our Shares will be carried out in S$ and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a Depository Agent. The Depository Agent may be a member company of SGX-ST, bank, merchant bank or trust company.

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

1. Except as disclosed below, none of our Directors, Executive Officers and Controlling Shareholder:

   (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time when he or she was a partner or at any time within two years after the date he or she ceased to be a partner;

   (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity or at any time within two years after the date he or she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

   (c) has any unsatisfied judgment against him or her;

   (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such purpose;

   (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such breach;

   (f) has, at any time during the last 10 years, had judgment entered against him or her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or her part, nor has he or she been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;

   (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

   (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

   (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;

(j) has ever, to his or her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; or

(k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Investigation by the Competition Commission of Singapore ("CCS") on Cordlife Group Limited

From the period of June 2014 to June 2015 when our Non-Executive Non-Independent Chairman, Mr. Jeremy Yee, was an executive director and the chief executive officer of Cordlife Group Limited, Cordlife Group Limited was investigated by the CCS for potential abuse of dominant position. These investigations were in relation to Cordlife Group Limited's exclusive agreements with baby fair organisers and hospitals that may potentially have the effect of limiting competition from other providers of cord blood banking services in Singapore. Mr. Jeremy Yee was involved in putting the relevant information together and representing Cordlife Group Limited in the settlement discussions with CCS. Mr. Jeremy Yee was not the subject of the CCS investigations. CCS later ceased investigations into Cordlife Group Limited's exclusive arrangements, taking into consideration the facts and circumstances of the case as well as the voluntary commitments provided by Cordlife Group Limited in relation to its exclusive arrangements.

SHARE CAPITAL

2. As of the Latest Practicable Date, there was only one class of shares in the capital of our Company. The rights and privileges attached to our Shares are stated in our Constitution. There is no restriction on the transfer of fully-paid Shares, except where required by law, the Rules of Catalist or the bye-laws of SGX-ST.

3. Except as disclosed in the sections titled "Pre-IPO and Recapitalisation Exercise" and "Share Capital" of this Offer Document, there has not been any change in the share capital of our Company within the three years preceding the Latest Practicable Date.

MATERIAL CONTRACTS

4. The following contracts, not being contracts entered into in the ordinary course of business, were entered into by our Company within the two years preceding the date of lodgement of this Offer Document with SGX-ST, acting as agent on behalf of the Authority, and are or may be material:

   (a) the 1 November 2016 Convertible Loan Agreement, the 21 March 2017 Convertible Note Agreement and the 2 June 2017 Convertible Note Agreement, referred to in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document; and

   (b) the Conversion Agreements and the Series C Investment Agreement, referred to in the section titled "Pre-IPO and Recapitalisation Exercise" of this Offer Document.

LITIGATION

5. Our Company has not been engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this Offer Document with SGX-ST, acting as agent on behalf of the Authority, a material effect on the financial position or profitability of our Company.

MISCELLANEOUS

6. There has not been any public take-over offer by a third party in respect of our Shares or by us in respect of the shares of another corporation or the units of a business trust, which has occurred between 1 January 2017 and the Latest Practicable Date.

7. No expert is employed on a contingent basis by our Company, has a material interest, whether direct or indirect, in our Shares, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

8. Except as disclosed in the sections titled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Condition" and "Our Business" of this Offer Document, we are not aware of any event which has occurred since 1 July 2018 to the Latest Practicable Date which may have a material effect on the financial position and results of our Company.

9. We currently have no intention of changing our auditors after the listing of our Company on Catalist.

CONSENTS

10. The Sponsor and Issue Manager and Placement Agent, UOB, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which they are included in this Offer Document, and to act in such capacity in relation to this Offer Document.

11. The Independent Auditor and Reporting Accountant, Deloitte & Touche LLP, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto and the Independent Auditor's Report on the Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the

Financial Years ended December 31, 2015, December 31, 2016 and December 31, 2017, the Independent Auditor's Review Report on the Interim Condensed Unaudited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Six Months Ended June 30, 2018 and the Independent Auditor's Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018, as set out in Appendices A, B and C to this Offer Document, respectively, in the form and context in which they are included in this Offer Document, and to act in such capacity in relation to this Offer Document.

LEGAL MATTERS

12. Neither WongPartnership LLP nor Dentons Rodyk & Davidson LLP makes, or purports to make, any statement in this Offer Document and none of them is aware of any statement in this Offer Document which purports to be based on a statement made by it, and none of them makes any representation, express or implied, regarding, or takes any responsibility for, any statement in or omission from this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

13. Our Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Company, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

14. The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six months from the date of registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority:

    (a) our Constitution;

    (b) the "Audited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Financial Years Ended December 31, 2015, December 31, 2016 and December 31, 2017", as set out in Appendix A to this Offer Document;

    (c) the "Interim Condensed Unaudited Consolidated Financial Statements of Biolidics Limited and its Subsidiaries for the Six Months Ended June 30, 2018", as set out in Appendix B to this Offer Document;

    (d) the "Unaudited Pro Forma Consolidated Financial Information of Biolidics Limited and its Subsidiaries for the Financial Year Ended December 31, 2017 and Six Months Ended June 30, 2018", as set out in Appendix C to this Offer Document;

(e) the Service Agreement referred to in the section titled "Management and Corporate Governance – Service Agreement" of this Offer Document;

(f) the letters of consent referred to in the section titled "General and Statutory Information – Consents" above; and

(g) the material contracts referred to in the section titled "General and Statutory Information – Material Contracts" above.

APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED DECEMBER 31, 2015, DECEMBER 31, 2016 AND DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED DECEMBER 31, 2015, DECEMBER 31, 2016 AND DECEMBER 31, 2017

December 11, 2018

The Board of Directors
Biolidics Limited
81 Science Park Drive
#02-03 The Chadwick
Singapore Science Park 1
Singapore 118257

Dear Sirs,

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Biolidics Limited (the "Company") and its subsidiaries (the "Group"). The consolidated financial statements comprise the consolidated statements of financial position as at December 31, 2015, 2016 and 2017 and the related consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the financial years ended December 31, 2015, 2016 and 2017 (the "Relevant Periods"), including a summary of significant accounting policies and other explanatory information, as set out on pages A-4 to A-69.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with the Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group as at December 31, 2015, 2016 and 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the Relevant Periods.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accounts and Accounting Entities ("ACRA Code")* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED DECEMBER 31, 2015, DECEMBER 31, 2016 AND DECEMBER 31, 2017 (cont'd)

Responsibilities of Management and Directors for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with the FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair consolidated financial statements and to maintain accountability of assets.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED DECEMBER 31, 2015, DECEMBER 31, 2016 AND DECEMBER 31, 2017 (cont'd)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report has been prepared solely to you for inclusion in the Offer Document in connection with the proposed listing of Biolidics Limited on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited and for no other purpose.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Tsia Chee Wah
Partner

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2015, 2016 and 2017

	Note	2015	2016	2017
		$	$	$
ASSETS				
Current assets				
Cash and cash equivalents	6	3,408,078	1,033,029	2,454,536
Trade receivables	7	181,514	700,586	289,510
Other receivables	8	215,758	384,018	361,023
Inventories	9	417,675	411,453	979,060
Total current assets		4,223,025	2,529,086	4,084,129
Non-current assets				
Property, plant and equipment	10	828,845	683,003	503,255
Intangible assets	11	333,117	513,272	618,513
Total non-current assets		1,161,962	1,196,275	1,121,768
Total assets		5,384,987	3,725,361	5,205,897

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)
As at December 31, 2015, 2016 and 2017

	Note	2015	2016	2017
		$	$	$
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	12	213,015	223,879	813,378
Other payables	13	580,457	917,685	396,032
Convertible loans	14	5,524,400	2,907,674	9,794,150
Total current liabilities		6,317,872	4,049,238	11,003,560
Non-current liabilities				
Convertible loans	14	–	5,850,396	6,322,156
Redeemable convertible preference shares	15	9,086,640	10,547,359	11,726,716
Total non-current liabilities		9,086,640	16,397,755	18,048,872
Capital and reserves				
Share capital	16	10,244,065	10,244,066	10,244,066
Translation reserve	17	(4,508)	(10,209)	9,826
Share option reserve	17	761,405	930,054	997,608
Accumulated losses		(21,020,487)	(27,885,543)	(35,098,035)
Net capital deficiency		(10,019,525)	(16,721,632)	(23,846,535)
Total liabilities and equity		5,384,987	3,725,361	5,205,897

See accompanying notes to financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Years ended December 31, 2015, 2016 and 2017

	Note	2015	2016	2017
		$	$	$
Revenue	18	803,578	1,942,119	2,083,506
Other income	19	258,312	503,285	119,271
Changes in inventories		81,444	(6,222)	567,607
Purchases		(387,291)	(557,905)	(1,292,510)
Employee benefits expense	23	(416,533)	(511,597)	(1,669,084)
Depreciation expense	10	(442,923)	(488,952)	(484,645)
Amortisation expense	11	(25,163)	(14,392)	(18,462)
Research and development expense	23	(1,542,951)	(2,286,689)	(994,714)
Change in fair value of financial liabilities designated as FVTPL	14	(2,024,400)	(1,213,670)	(1,795,856)
Other expenses	20	(3,074,397)	(2,770,314)	(2,548,248)
Finance costs	21	(1,258,422)	(1,460,719)	(1,179,357)
Loss before tax		(8,028,746)	(6,865,056)	(7,212,492)
Income tax expense	22	–	–	–
Loss for the year	23	(8,028,746)	(6,865,056)	(7,212,492)
Other comprehensive income (loss) for the year				
Items that may be reclassified subsequently to profit or loss				
– Effects of translation of foreign operations		1,215	(5,701)	20,035
Total comprehensive loss for the year		(8,027,531)	(6,870,757)	(7,192,457)
Basic and diluted earnings per share (cents)	26	(18.15)	(13.67)	(14.37)

See accompanying notes to financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years ended December 31, 2015, 2016 and 2017

	Note	Share Capital	Translation reserve	Share option reserve	Accumulated losses	Total
		$	$	$	$	$
Balance as at January 1, 2015 (unaudited)		10,244,065	(5,723)	514,882	(12,991,741)	(2,238,517)
Transactions with owners, recognised directly in equity						
Recognition of share-based payments		–	–	246,523	–	246,523
Total comprehensive income for the year						
Loss for the year		–	–	–	(8,028,746)	(8,028,746)
Other comprehensive income for the year		–	1,215	–	–	1,215
Total		–	1,215	–	(8,028,746)	(8,027,531)
Balance as at December 31, 2015		10,244,065	(4,508)	761,405	(21,020,487)	(10,019,525)
Transactions with owners, recognised directly in equity						
Issuance of bonus ordinary shares	14	1	–	–	–	1
Recognition of share-based payments		–	–	168,649	–	168,649
Total		1	–	168,649	–	168,650
Total comprehensive loss for the year						
Loss for the year		–	–	–	(6,865,056)	(6,865,056)
Other comprehensive loss for the year		–	(5,701)	–	–	(5,701)
Total		–	(5,701)	–	(6,865,056)	(6,870,757)
Balance as at December 31, 2016		10,244,066	(10,209)	930,054	(27,885,543)	(16,721,632)

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont'd)
Years ended December 31, 2015, 2016 and 2017

	Note	Share Capital	Translation reserve	Share option reserve	Accumulated losses	Total
		$	$	$	$	$
Balance as at January 1, 2017		10,244,066	(10,209)	930,054	(27,885,543)	(16,721,632)
Transactions with owners, recognised directly in equity						
Recognition of share-based payments		–	–	67,554	–	67,554
Total comprehensive loss for the year						
Loss for the year		–	–	–	(7,212,492)	(7,212,492)
Other comprehensive income for the year		–	20,035	–	–	20,035
Total		–	20,035	–	(7,212,492)	(7,192,457)
Balance as at December 31, 2017		10,244,066	9,826	997,608	(35,098,035)	(23,846,535)

See accompanying notes to financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2015, 2016 and 2017

	2015	2016	2017
	$	$	$
Operating activities			
Loss before income tax	(8,028,746)	(6,865,056)	(7,212,492)
Adjustments for:			
Amortisation expense	25,163	14,392	18,462
Depreciation expense	442,923	488,952	484,645
Property, plant and equipment written off	5,237	–	–
Allowance for inventories	186,837	–	79,897
Inventories written off	8,542	–	–
Gain on disposal of property, plant and equipment	–	(101,392)	–
Allowance for doubtful debt	7,000	–	–
Doubtful debts written off	–	65,922	27,944
Intangible asset written off	111,433	19,956	–
Share based payment – equity settled (net)	246,523	169,351	68,665
Issuance of bonus ordinary shares	–	1	–
Change in fair value of financial liabilities designated as FVTPL	2,024,400	1,213,670	1,795,856
Accretion of interest expense on redeemable convertible preference shares	1,258,422	1,460,719	1,179,357
Operating cash flows before movements in working capital	(3,712,266)	(3,533,485)	(3,557,666)
Trade receivables	(36,279)	(584,994)	383,132
Other receivables	181,732	(168,260)	22,995
Inventories	(276,823)	6,222	(637,491)
Trade payables	177,313	10,864	589,499
Other payables	408,131	337,227	(521,653)
Net cash used in operating activities	(3,258,192)	(3,932,426)	(3,721,184)

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)
Years ended December 31, 2015, 2016 and 2017

	2015	2016	2017
	$	$	$
Investing activities			
Purchase of property, plant and equipment	(651,111)	(352,279)	(314,910)
Acquisition of intangible assets	(152,341)	(214,503)	(123,703)
Proceeds on disposal of property, plant and equipment	–	110,561	–
Net cash used in investing activities	(803,452)	(456,221)	(438,613)
Financing activities			
Issuance of bonus ordinary shares	–	1	–
Repurchase of vested employee share options	–	(702)	(1,111)
Issuance of convertible loans	3,500,000	2,020,000	5,562,380
Net cash from financing activities	3,500,000	2,019,299	5,561,269
Net (decrease) increase in cash and cash equivalents	(561,644)	(2,369,348)	1,401,472
Cash and cash equivalents at beginning of year	3,968,507	3,408,078	1,033,029
Exchange effects on cash and cash equivalents	1,215	(5,701)	20,035
Cash and cash equivalents at end of year	3,408,078	1,033,029	2,454,536

See accompanying notes to financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

1 GENERAL

Biolidics Limited (formerly known as Clearbridge Biomedics Pte. Ltd.) (the "Company") (Registration No. 200913076M) is incorporated in Singapore with its principal place of business and registered office at 81 Science Park Drive, #02-03 The Chadwick, Singapore Science Park 1, Singapore 118257. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of a research, experimental development and marketing on biotechnology, life and medical science and electronics related industrial design services.

The principal activities of the subsidiaries are disclosed below:

Name of subsidiary	Principal activities/ Country of incorporation and operations	Proportion of equity interest and voting power held		
		2015	2016	2017
		%	%	%
Clearbridge Japan Co., Ltd.[(i)]	Research, experimental development and marketing on biotechnology, life and medical science and electronics-related industrial design services / Japan	100	100	100
Clearbridge Biomedics, Inc.[(ii)]	Sales, marketing and distribution of biomedical products / United States of America	–	100	100

(i) On July 2, 2018, Clearbridge Japan Co., Ltd has been dissolved by way of deregistration.

(ii) On September 11, 2018, Clearbridge Biomedics, Inc. has been dissolved by way of deregistration.

The consolidated financial statements of the Group for the financial years ended December 31, 2015, 2016 and 2017 (the "Relevant Periods") were authorised for issue by the Board of Directors on December 6, 2018.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – The Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective for the Group since the beginning of the Relevant Periods and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the Relevant Periods except for certain presentation improvements arising from Amendments to FRS 7 *Statement of Cash Flows – Disclosure Initiative*.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments require an entity to provide disclosures that enable users of the consolidated financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes.

The Group's liabilities arising from financing activities and a reconciliation between the opening and closing balances of these liabilities are set out in Notes 14 and 15 respectively. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the Relevant Periods. Apart from the additional disclosure in Notes 14 and 15 respectively, the application of these amendments has had no impact on the Group's consolidated financial statements.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

BUSINESS COMBINATIONS – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future; or
- It is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- On initial recognition, the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'change in fair value of financial liabilities designated as FVTPL' line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 4.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Convertible loans

The convertible loans are initially measured at fair value through profit or loss when issued and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. The fair value is determined in the manner described in Note 4.

Redeemable convertible preference shares

Preference shares, which are redeemable on a specific date, are classified as liabilities. The dividends on these preferences shares are recognised as finance costs.

These preference shares which are regarded as compound instruments, consisting of a liability component and an equity component are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis, using the effective interest method, until extinguished upon conversion or at the instrument's maturity date. Interest expense calculated using the effective interest method is recognised over the term of the redeemable convertible preference shares in accordance with the Group's accounting policy for borrowing costs. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised in equity, net of income tax effects, and is not subsequently remeasured.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT – Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computer and office equipment	–	3 years
Laboratory equipment	–	3 years
Testing and trial equipment	–	3 years
Production, tooling and mould equipment	–	3 years
Renovation and furniture & fittings	–	3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INTANGIBLE ASSETS – Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Amortisation is charged over their estimated useful lives, using the straight-line method, on the following base:

Patent rights	–	10 years
Trademark	–	10 years

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF ASSETS – At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Project revenue

Revenue from project is recognised when services are rendered in accordance with the agreements.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as Singapore Central Provident Fund and state schemes where the Group's operations are located, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

SHARE BASED PAYMENTS – The Group issues equity-settled share-based payments to certain employees.

Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profit against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The presentation currency for the consolidated financial statements is Singapore dollars.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) and subsidiaries whose financial statements are denominated in a functional currency other than that used by the Company, are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for inventories

At the end of each reporting period, the Group reviews the carrying amount of its inventories to ensure that they are stated at lower of cost or net realisable value. In assessing the net realisable value and making appropriate allowance, management identifies inventories that are slow-moving, considers their physical condition, the market condition and prices for similar items. The carrying amount of inventories at the end of the reporting period is disclosed in Note 9 to the financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Impairment of property, plant and equipment

The Group assesses annually whether its property, plant and equipment have any indication of impairment in accordance with its accounting policy. Such assessment is based on the estimated the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Management has assessed the carrying amount of property, plant and equipment and is of the view that no impairment is required to be recognised. The carrying amount of property, plant and equipment at the end of the reporting period is disclosed in Note 10 to the financial statements.

Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment is disclosed in Note 10 to the financial statements.

Useful lives of intangible assets

The cost of intangible assets is amortised on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of these intangible assets to be 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised. The carrying amount of the Group's intangible assets are disclosed in Note 11 to the financial statements.

Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 and 2 inputs are not available, the Group engages third party independent valuer to perform the valuation. The valuation committee works closely with the independent external valuer to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 4 and 14.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	2015	2016	2017
	$	$	$
Financial assets			
Loan and receivables (including cash and cash equivalents)	3,777,794	1,875,497	2,866,026
Financial liabilities			
Designated as at FVTPL	5,524,400	8,758,070	16,116,306
Amortised cost	9,802,898	11,309,773	12,899,434

(b) *Financial instruments subject to offsetting, enforceable master netting agreement and similar arrangements*

The Group does not have financial instruments that are subject to offsetting, enforceable master netting agreement and similar arrangements in 2015, 2016 and 2017.

(c) *Financial risk management policies and objectives*

The Group has documented risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group.

The Group's activities expose it to a variety of financial risks, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk.

Management actively and regularly reviews and manages the Group's capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency.

The Group maintains sufficient financial resources and management has a reasonable expectation that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook and believes that the Group has adequate resources to continue operational existence for the foreseeable future.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group is exposed to foreign currency risk as a result of its transactions where the denominations differ from the functional currencies of the respective Group entities.

The Group transacts its business in various foreign currencies, including the United States dollar (US Dollar), Euro and Pound Sterling and is therefore exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities			Assets		
	2015	2016	2017	2015	2016	2017
	$	$	$	$	$	$
US Dollar	3,536	18,772	7,020,262	130,858	337,392	2,881,653
Euro	–	–	–	2,759	2,698	104,819
Pound Sterling	64,530	1,026	263,263	4,791	5,208	21,437

The Group ensures that the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

Foreign currency sensitivity

The following table details the sensitivity to a 1% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

If the relevant foreign currency strengthens by 1% against the functional currency of each Group entity, net loss for the year will (increase) decrease by:

	2015	2016	2017
	$	$	$
US Dollar impact	1,273	3,186	(41,386)
Euro impact	28	27	1,048
Pound Sterling impact	(597)	42	(2,418)

This is mainly attributable to the exposure outstanding on receivables and payables at the end of the reporting period of the Group.

The Group's sensitivity to foreign currency has increased during the current year mainly due to the convertible loans received in US Dollar which has resulted in higher US Dollar denominated cash and higher US Dollar denominated convertible loans.

(ii) Interest rate risk management

The primary source of the interest rate risk of the Group relates to convertible loans. The interest rates on convertible loans are disclosed in Note 14 to the financial statements.

The Group are not significantly affected by changes in market interest rates as the interest-bearing instruments mainly carry fixed interest.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management.

The Group is dependent on a relatively small group of customers for a substantial portion of its business. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The Group has significant concentration of credit risk from 2 (2016: 2; 2015: 2) outside party customers amounting to $143,153 (2016: $637,350; 2015: $167,480) or 49% (2016: 91%; 2015: 92%) of total trade receivables balance as at the end of the reporting period.

Cash balances are placed with reputable financial institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowance for losses, represents the Group's maximum exposure to credit risk, without taking account of the value of any collateral obtained.

(iv) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, available credit lines and internally generated funds to finance its activities.

As at December 31, 2017, the Group's total current liabilities exceeded total current assets by $6,919,431 (2016: $1,520,152; 2015: $2,094,847). The Group is also at a net capital deficiency position of $23,846,535 (2016: $16,721,632; 2015: $10,019,525). Management is of the opinion that the liquidity risk is low as the Group will undertake fund raising exercises to enable it to pay its debts when they fall due.

On June 28, 2018, the Company entered into an investment agreement with its investors to convert all the convertible loans and preference shares into ordinary shares. The Company also raised $6,600,000 from the issuance of 115,111 ordinary shares.

Liquidity and interest risk analyses

Non-derivative financial assets and financial liabilities

All non-derivative financial assets and financial liabilities of the Group as at the end of the reporting period are repayable on demand or due within 1 year except for the convertible loans and redeemable convertible preference shares as disclosed in Notes 14 and 15 respectively.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(v) Fair value of financial assets and financial liabilities

Financial assets/ financial liabilities	Fair value as at 2015 Liabilities	Fair value as at 2016 Liabilities	Fair value as at 2017 Liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs(s)	Relationship unobservable inputs to fair value
	$	$	$				
Financial liabilities designated as FVTPL (Note 14)							
(1) Convertible loans 1 and 2	5,524,400	8,758,070	9,794,150	Level 3	The conversion option is calculated by deriving the immediate profit through the conversion of the loan and considering management's expectation of next equity financing. Particularly, 30% (2016: 30%; 2015: 30%) discount has been adopted as the applicable discount to the strike price; whereas 85% (2016: 60%; 2015: 60%) of successful equity financing is adopted in pro-rating the conversion option. The straight debt is calculated based on discounted cash flow methodology with applicable discount rate as proxy to issuer's cost of debt. The discount rate applied has taken into consideration of the latest external bank's offer rate on unsecured borrowing for issuer and issuer's weighted average cost of capital.	Discount rate (Note 1)	The higher the discount rate, the lower the fair value
						Rate of successful equity financing (Note 2)	The higher the rate of success, the higher the fair value

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Financial assets/ financial liabilities	Fair value as at 2015 Liabilities	Fair value as at 2016 Liabilities	Fair value as at 2017 Liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs(s)	Relationship unobservable inputs to fair value
	$	$	$				
(2) Convertible loans 3 and 4	–	–	6,322,156	Level 3	The conversion option is calculated by deriving the immediate profit through the conversion of the loan and considering management's expectation of the time of occurrence of the next equity financing. Particularly, 85% of successful equity financing in June 2018 is adopted in pro-rating the conversion option. The straight debt is calculated based on option pricing methodology with applicable discount rate as proxy to issuer's cost of debt. The discount rate applied has taken into consideration of the yield curve of Singapore Government's debt and issuer's weighted average cost of capital.	Discount rate (Note 3)	The higher the discount rate, the lower the fair value
						Rate of successful equity financing in June 2018 (Note 4)	The higher the rate of success, the lower the fair value

Note 1: A 5% increase/decrease in the discount rate while holding all other variables constant would decrease/increase the carrying amount of convertible loans by $41,487 (2016: $16,743; 2015: $14,018).

Note 2: A 5% (2016: 10%; 2015: 10%) increase/decrease in the rate of successful equity financing while holding all other variables constant would increase/decrease the carrying amount of convertible loans by $74,408 (2016: $51,877; 2015: $14,481).

Note 3: A 5% increase/decrease in the discount rate while holding all other variables constant would decrease/increase the carrying amount of convertible loans by $172,729.

Note 4: A 5% increase/decrease in the rate of successful equity financing in June 2018 used while holding all other variables constant would decrease/increase the carrying amount of the convertible loans by $13,955.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Except as disclosed in the table above, the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values due to the relatively short-term maturity of these financial instruments. In respect of the financial assets and financial liabilities recorded at amortised cost whose maturity is more than a year, management also considers that such financial instruments approximate their fair values. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

(d) *Capital management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Management has ensured that all externally imposed capital requirements are complied with.

The capital structure of the Group consists of debt which includes the borrowings, and equity attributable to owners of the parent, comprising share capital, reserves and retained earnings.

The Group reviews the capital structure on a semi-annual basis by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the new share issues as well as the issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from the prior year.

5 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free, repayable on demand unless otherwise stated.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

5 RELATED PARTY TRANSACTIONS (cont'd)

During the year, the Group entered into the following trading transactions with related parties:

	2015	2016	2017
	$	$	$
Shareholder			
Interest expense	40,274	161,311	240,000
Rental income	41,018	–	13,084
Recharge of professional services	64,521	60,738	17,880
Company related to a director of the Company			
Purchases	94,111	136,470	174,495

The balances are unsecured, interest-free, repayable on demand and expected to be settled in cash unless otherwise stated. No guarantees have been given or received.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2015	2016	2017
	$	$	$
Short-term benefits	125,730	296,662	340,400
Post-employment benefits	10,200	7,424	–
Share based payment – equity settled	78,755	40,750	27,646
	214,685	344,836	368,046

The remuneration of directors and key management is determined by the board of directors and shareholders having regard to the performance of individuals.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

6 CASH AND CASH EQUIVALENTS

	2015	2016	2017
	$	$	$
Cash at banks	3,407,542	1,032,179	2,453,550
Cash on hand	536	850	986
	3,408,078	1,033,029	2,454,536

7 TRADE RECEIVABLES

	2015	2016	2017
	$	$	$
Outside parties	233,514	700,586	289,510
Less: Allowance for doubtful debts	(52,000)	–	–
	181,514	700,586	289,510

	2015	2016	2017
	$	$	$
Movement in the allowance for doubtful trade receivables:			
Balance at beginning of the year	45,000	52,000	–
Increase in allowance recognised in profit or loss	7,000	–	–
Write-off during the year	–	(52,000)	–
Balance at end of the year	52,000	–	–

The average credit period on sale of goods is 30 days (2016: 30 days; 2015: 30 days). No interest is charged on the trade receivables.

The Group has recognised allowance for doubtful debts against receivables over 12 months because historical experience is such that receivables that are past due beyond 12 months are generally not recoverable. No allowance has been made for the remaining past due receivables of $114,707 (2016: $35,396; 2015: $122,407) as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

7 TRADE RECEIVABLES (cont'd)

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was granted up to the end of the reporting period. Accordingly, management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The table below is an analysis of trade receivables as at the end of reporting period:

	2015	2016	2017
	$	$	$
Not past due and not impaired	59,107	665,190	174,803
Past due and not impaired[(i)]	122,407	35,396	114,707
Past due and impaired – individually assessed[(ii)]	52,000	–	–
	233,514	700,586	289,510

(i) Aging of receivables that are past due but not impaired:

	2015	2016	2017
	$	$	$
< 3 months	121,007	21,224	96,258
3 months to 6 months	–	6,750	3,426
< 12 months	1,400	7,422	15,023
	122,407	35,396	114,707

(ii) These amounts are stated before any deduction for impairment losses.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

8 OTHER RECEIVABLES

	2015	2016	2017
	$	$	$
Prepayments	27,556	242,136	239,043
Deposits	151,973	88,971	81,374
Others	36,229	52,911	40,606
	215,758	384,018	361,023

9 INVENTORIES

	2015	2016	2017
	$	$	$
Spare parts	10,952	94,008	342,189
Finished goods	406,723	317,445	636,871
	417,675	411,453	979,060

The cost of inventories includes $79,897 (2016: $Nil; 2015: $192,387) of allowance for inventory obsolescence. Allowance of inventories has been estimated based on the age, historical and expected future usage of inventories.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

10 PROPERTY, PLANT AND EQUIPMENT

	Computer and office equipment	Laboratory equipment	Testing and trial equipment	Production, tooling and mould equipment	Renovation and furniture & fittings	Total
	$	$	$	$	$	$
Cost:						
At January 1, 2015	57,218	205,132	467,666	210,792	127,835	1,068,643
Additions	2,300	66,591	127,542	445,116	9,562	651,111
Written off	(5,128)	–	(26,935)	–	–	(32,063)
At December 31, 2015	54,390	271,723	568,273	655,908	137,397	1,687,691
Additions	14,477	4,500	312,355	18,368	2,579	352,279
Disposals	–	–	(15,718)	–	–	(15,718)
At December 31, 2016	68,867	276,223	864,910	674,276	139,976	2,024,252
Additions	15,878	32,711	238,593	20,240	7,488	314,910
Transfer to inventories	–	–	(16,386)	–	–	(16,386)
At December 31, 2017	84,745	308,934	1,087,117	694,516	147,464	2,322,776

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

10 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Computer and office equipment	Laboratory equipment	Testing and trial equipment	Production, tooling and mould equipment	Renovation and furniture & fittings	Total
	$	$	$	$	$	$
Accumulated depreciation:						
At January 1, 2015	39,044	84,275	245,180	32,010	42,240	442,749
Charge for the year	8,860	81,216	157,475	150,370	45,002	442,923
Written off	(5,128)	–	(21,698)	–	–	(26,826)
At December 31, 2015	42,776	165,491	380,957	182,380	87,242	858,846
Charge for the year	9,330	74,612	138,332	220,111	46,567	488,952
Disposals	–	–	(6,549)	–	–	(6,549)
At December 31, 2016	52,106	240,103	512,740	402,491	133,809	1,341,249
Charge for the year	12,173	37,731	229,608	198,683	6,450	484,645
Transfer to inventories	–	–	(6,373)	–	–	(6,373)
At December 31, 2017	64,279	277,834	735,975	601,174	140,259	1,819,521

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

10 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Computer and office equipment	Laboratory equipment	Testing and trial equipment	Production, tooling and mould equipment	Renovation and furniture & fittings	Total
	$	$	$	$	$	$
Carrying amount:						
At December 31, 2015	11,614	106,232	187,316	473,528	50,155	828,845
At December 31, 2016	16,761	36,120	352,170	271,785	6,167	683,003
At December 31, 2017	20,466	31,100	351,142	93,342	7,205	503,255

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

11 INTANGIBLE ASSETS

	Patent rights	Trademark	Total
	$	$	$
Cost:			
At January 1, 2015	329,458	40,349	369,807
Additions	147,303	5,038	152,341
Written off	(137,828)	–	(137,828)
At December 31, 2015	338,933	45,387	384,320
Additions	214,503	–	214,503
Written off	(53,477)	(4,359)	(57,836)
At December 31, 2016	499,959	41,028	540,987
Additions	122,503	1,200	123,703
At December 31, 2017	622,462	42,228	664,690
Accumulated amortisation:			
At January 1, 2015	45,236	7,199	52,435
Charge for the year	20,980	4,183	25,163
Written off	(26,395)	–	(26,395)
At December 31, 2015	39,821	11,382	51,203
Charge for the year	9,258	5,134	14,392
Written off	(37,880)	–	(37,880)
At December 31, 2016	11,199	16,516	27,715
Charge for the year	14,193	4,269	18,462
At December 31, 2017	25,392	20,785	46,177
Carrying amount:			
At December 31, 2015	299,112	34,005	333,117
At December 31, 2016	488,760	24,512	513,272
At December 31, 2017	597,070	21,443	618,513

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

11 INTANGIBLE ASSETS (cont'd)

The carrying amount of the Group's patent rights includes an amount of $557,232 (2016: $434,729; 2015: $175,700) that is still in the application process with intellectual property office.

12 TRADE PAYABLES

	2015	2016	2017
	$	$	$
Outside parties	213,015	184,094	748,209
Related party (Note 5)	–	39,785	65,169
	213,015	223,879	813,378

The average credit period on purchases of goods is 30 days (2016: 30 days; 2015: 30 days). No interest is charged on the trade payables.

13 OTHER PAYABLES

	2015	2016	2017
	$	$	$
Accruals	471,446	241,099	305,805
Advances from outside parties	77,214	25,650	25,650
Deferred income	–	353,500	11,042
Related party (Note 5)	13,650	4,834	4,599
Others	18,147	292,602	48,936
	580,457	917,685	396,032

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

14 CONVERTIBLE LOANS

	Nominal Value			Fair Value		
	2015	2016	2017	2015	2016	2017
	$	$	$	$	$	$
Convertible loan 1	3,500,000	3,500,000	3,500,000	5,524,400	5,850,396	6,556,206
Convertible loan 2	–	2,020,000	2,019,975	–	2,907,674	3,237,944
Convertible loan 3	–	–	2,793,860	–	–	3,207,177
Convertible loan 4	–	–	2,768,520	–	–	3,114,979
	3,500,000	5,520,000	11,082,355	5,524,400	8,758,070	16,116,306
Less: Amount due for settlement within 12 months				(5,524,400)	(2,907,674)	(9,794,150)
Amount due for settlement after 12 months				–	5,850,396	6,322,156

The fair value of the convertible loans includes cumulative accrued interest of $1,644,878 (2016: $562,574; 2015: $112,110).

Convertible loans 1 and 2 with nominal value of $3,500,000 and $2,020,000 was issued on September 28, 2015 and November 1, 2016 respectively to third party and related party convertible loan holders.

Convertible loans 3 and 4 with nominal value of $2,793,860 and $2,768,520 was issued on March 21, 2017 and June 2, 2017 respectively to third party convertible loan holders.

On July 6, 2018, principal amount of convertible loans 1, 2, 3 and 4 and the respective interest accrued up to May 31, 2018 was converted into ordinary shares. The interest accrued from June 1, 2018 to July 6, 2018, amounting to $131,420 was repaid to the convertible loan holders in cash.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

14 CONVERTIBLE LOANS (cont'd)

	January 1, 2017	Financing cash flows	Non-cash changes: Changes in fair value	December 31, 2017
	$	$	$	$
Convertible loans	8,758,070	5,562,380	1,795,856	16,116,306

Convertible loan 1

The key terms of the convertible loan are summarised below:

(1) Incentive bonus shares of 61,040 fully paid-up ordinary shares was issued to the lenders at a nominal issue price of $0.01 on September 28, 2015.

(2) Interest of 12% per annum shall be accrued until date of settlement.

(3) The convertible loan and accrued interest shall be automatically converted into conversion shares at an issue price equivalent to 75% of the issue price of the Next Qualifying Financing Round equity share if the Next Qualifying Financing Round occurs on or prior to March 31, 2016, and 70% of the issue price of the Next Qualifying Financing Round equity share if the Next Qualifying Financing Round occurs after April 1, 2016. Next Qualifying Financing Round is defined as the next equity financing round in a single transaction or a series of related transactions with aggregate subscription proceeds of no less than $8,000,000.

(4) In the event that the convertible loan is not converted pursuant to the terms of this agreement, the Company shall repay without further notice an amount equivalent to 200% of the principal amount which is deemed to include all interest accrued.

(5) The convertible loan and accrued interest shall be redeemed in full, whether by way of conversion or by cash repayment, by no later than September 28, 2018 (2016: September 28, 2018; 2015: September 28, 2016).

(6) The convertible loan shall rank in priority to all other obligations of the Company (except for trade debts and any debts which are preferred by any bankruptcy, insolvency or other similar laws of general applications).

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

14 CONVERTIBLE LOANS (cont'd)

Convertible loan 2

The key terms of the convertible loan are summarised below:

(1) Incentive bonus shares of 35,229 fully paid-up ordinary shares was issued to the lenders at a nominal issue price of $1.01 on November 1, 2016.

(2) Interest of 12% per annum shall be accrued until date of settlement.

(3) The convertible loan and accrued interest shall be automatically converted into conversion shares at an issue price equivalent to 70% of the issue price of the Next Qualifying Financing Round equity share if the Next Qualifying Financing Round occurs after November 1, 2016. Next Qualifying Financing Round is defined as the next equity financing round in a single transaction or a series of related transactions with aggregate subscription proceeds of no less than $6,000,000.

(4) In the event that the convertible loan is not converted pursuant to the terms of this agreement, the Company shall repay without further notice an amount equivalent to 100% of the principal amount together with all interest accrued up to the point of repayment.

(5) The convertible loan and accrued interest shall be redeemed in full, whether by way of conversion or by cash repayment, by no later than November 16, 2018 (2016: November 16, 2017).

(6) The convertible loan shall rank *pari passu* with the existing convertible loans but in priority to all other obligations of the Company (except for trade debts and any debts which are preferred by any bankruptcy, insolvency or other similar laws of general applications).

Convertible loan 3

The key terms of the convertible loan are summarised below:

(1) Interest of 12% per annum shall be accrued until date of settlement.

(2) The convertible loan and accrued interest shall be automatically converted into conversion shares at a conversion price of $59.15 per share if the Next Qualifying Financing Round occurs after March 20, 2017. Next Qualifying Financing Round is defined as the next equity financing round in a single transaction or a series of related transactions with aggregate subscription proceeds of no less than US$5,000,000.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

14 CONVERTIBLE LOANS (cont'd)

(3) In the event that the convertible loan is not converted pursuant to the terms of this agreement, the Company shall repay without further notice an amount equivalent to 100% of the principal amount together with all interest accrued up to the point of repayment.

(4) The convertible loan and accrued interest shall be redeemed in full, whether by way of conversion or by cash repayment, by no later than March 31, 2022.

(5) The convertible loan shall rank *pari passu* with Convertible Loan 4 but in priority to all existing convertible loans and other obligations of the Company (except for trade debts and any debts which are preferred by any bankruptcy, insolvency or other similar laws of general applications).

Convertible loan 4

The key terms of the convertible loan are summarised below:

(1) Interest of 12% per annum shall be accrued until date of settlement.

(2) The convertible loan and accrued interest shall be automatically converted into conversion shares at a conversion price of $59.15 per share if the Next Qualifying Financing Round occurs after June 9, 2017. Next Qualifying Financing Round is defined as the next equity financing round in a single transaction or a series of related transactions with aggregate subscription proceeds of no less than US$5,000,000.

(3) In the event that the convertible loan is not converted pursuant to the terms of this agreement, the Company shall repay without further notice an amount equivalent to 100% of the principal amount together with all interest accrued up to the point of repayment.

(4) The convertible loan and accrued interest shall be redeemed in full, whether by way of conversion or by cash repayment, by no later than June 9, 2022.

(5) The convertible loan shall rank *pari passu* with Convertible Loan 3 but in priority to all existing convertible loans and other obligations of the Company (except for trade debts and any debts which are preferred by any bankruptcy, insolvency or other similar laws of general applications).

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

15 REDEEMABLE CONVERTIBLE PREFERENCE SHARES

The Series B and B2 Redeemable Convertible Preference Shares ("RCPS") may be redeemable at the call of the holders after 7 and 5 years respectively from date of issue or converted into ordinary shares at conversion ratio of one ordinary share of the Company for every Series B and B2 RCPS held at any time from date of issue. Further details on these shares are disclosed in Note 16.

The net proceeds received from the issue of these RCPS were segregated between the liability component and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Group as follows:

	Series B RCPS	Series B2 RCPS	Total
	$	$	$
Nominal value of RCPS	8,656,626	5,000,392	13,657,018
Equity component	(4,548,472)	(2,627,368)	(7,175,840)
Liability component at date of issue	4,108,154	2,373,024	6,481,178

	Series B RCPS	Series B2 RCPS	Total
	$	$	$
As at January 1, 2015	5,174,484	2,653,734	7,828,218
Accretion of interest expense (Note 21)	831,822	426,600	1,258,422
As at December 31, 2015	6,006,306	3,080,334	9,086,640
Accretion of interest expense (Note 21)	965,541	495,178	1,460,719
As at December 31, 2016	6,971,847	3,575,512	10,547,359
Accretion of interest expense (Note 21)	604,578	574,779	1,179,357
As at December 31, 2017	7,576,425	4,150,291	11,726,716

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

15 REDEEMABLE CONVERTIBLE PREFERENCE SHARES (cont'd)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

			Non-cash changes	
	January 1, 2017	**Financing cash flows**	**Changes in fair value**	**December 31, 2017**
	$	**$**	**$**	**$**
RCPS	10,547,359	–	1,179,357	11,726,716

16 SHARE CAPITAL

	2015	**2016**	**2017**	**2015**	**2016**	**2017**
	Number of shares			**$**	**$**	**$**
Ordinary shares						
Beginning of year	200,000	261,040	296,269	200,000	200,000	200,001
Issue of new ordinary shares (Note 14)	61,040	35,229	–	–	1	–
End of year	261,040	296,269	296,269	200,000	200,001	200,001
Series A preference shares[(i)]						
Beginning and end of year	114,729	114,729	114,729	2,868,225	2,868,225	2,868,225
Series B RCPS[(ii)]						
Beginning and end of year	236,215	236,215	236,215	4,548,472	4,548,472	4,548,472

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

16 SHARE CAPITAL (cont'd)

	2015	2016	2017	2015	2016	2017
	Number of shares			$	$	$
Series B2 RCPS[(iii)]						
Beginning and end of year	87,206	87,206	87,206	2,627,368	2,627,368	2,627,368
Total	699,190	734,419	734,419	10,244,065	10,244,066	10,244,066

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

(i) The Series A preference shares ("Series A PS") issued in 2013 are not redeemable. Series A PS may be converted into ordinary shares at conversion ratio of one ordinary share for every Series A PS held at any time from date of issue. All Series A PS carry one vote per share without restriction.

(ii) The Series B RCPS issued in 2013 are non-cumulative and 8% dividend only payable to the extent of the Company's available distributable profits and any shortfall shall not be carried to the next financial year. Series B may be redeemable after 7 years (2016: 5 years; 2015: 5 years) from date of issue at the call of the holders or converted into ordinary shares at conversion ratio of one ordinary share for every Series B RCPS held at any time from date of issue. All Series B RCPS carry one vote per share without restriction.

(iii) The Series B2 RCPS issued in 2014 are non-cumulative and with 8% dividend only payable to the extent of the Company's available distributable profits and any shortfall shall not be carried to the next financial year. Series B2 RCPS may be redeemable after 5 years (2016: 5 years; 2015: 5 years) from date of issue at the call of the holders or converted into ordinary shares at conversion ratio of one ordinary share for every Series B2 RCPS held at any time from date of issue. All Series B2 RCPS carry one vote per share without restriction.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

17 RESERVES

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Share option reserve

The share option reserve arises on the grant of share options to employees under the Employees' Share Option Scheme (the "Scheme"). Further information about share-based payments to employees is set out in Note 24 to the financial statements.

18 REVENUE

	2015	2016	2017
	$	$	$
Sale of goods	803,578	998,869	1,311,756
Project revenue	–	943,250	771,750
	803,578	1,942,119	2,083,506

19 OTHER INCOME

	2015	2016	2017
	$	$	$
Government grants and rebates	184,852	331,062	81,480
Rental income (Note 5)	41,018	–	13,084
Foreign exchange gain, net	17,494	29,244	–
Gain on disposal of property, plant and equipment	60	101,392	–
Others	14,888	41,587	24,707
	258,312	503,285	119,271

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

20 OTHER EXPENSES

	2015	2016	2017
	$	$	$
Inventories written off	8,542	–	–
Property, plant and equipment written off	5,237	–	–
Intangible asset written off	111,433	19,956	–
Allowance for doubtful debt	7,000	–	–
Doubtful debt written off	–	65,922	27,944
Provision for inventories obsolescence	186,837	–	79,897
Provision for unconsumed leave	24,901	–	–
Rental expenses	221,112	239,208	227,913
Travels	267,478	391,828	410,672
Professional fees	431,868	646,859	410,275
Sales and marketing expenses	294,813	328,542	268,268
Clinical studies	1,099,723	515,501	343,690
Recharge for professional services provided by shareholder (Note 5)	64,521	60,738	17,880
Foreign exchange loss, net	–	–	151,776
Others	350,932	501,760	609,933
	3,074,397	2,770,314	2,548,248

21 FINANCE COSTS

	2015	2016	2017
	$	$	$
Accretion of interest expense on redeemable convertible preference shares (Note 15)	1,258,422	1,460,719	1,179,357

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

22 INCOME TAX EXPENSE

Domestic income tax is calculated at 17% (2016: 17%; 2015: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction. The total charge for the year can be reconciled to the accounting loss as follows:

	2015	2016	2017
	$	$	$
Loss before tax	(8,028,746)	(6,865,056)	(7,212,492)
Tax at the domestic rate of 17% (2016: 17%; 2015: 17%)	(1,364,887)	(1,167,060)	(1,226,124)
Effect of expenses that are not deductible in determining taxable profit	503,273	339,330	373,426
Effects of tax losses not recognised	861,614	806,140	722,840
Others	–	21,590	129,858
Income tax expense for the year	–	–	–

The Group has estimated unabsorbed tax losses of $35,860,000 (2016: $31,614,000; 2015: $24,596,000) and unutilised capital allowance of $134,000 (2016: $128,000; 2015: $128,000) available for offsetting against future taxable income subject to agreement with the Comptroller of Income Tax and the relevant provisions of the Income Tax Act.

Deferred tax asset is not recognised in the financial statements due to the uncertainty on whether all conditions imposed by law in relation to the utilisation of the deferred tax asset will be met.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

23 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2015	2016	2017
	$	$	$
Employee benefits expense (including directors' remuneration)			
Salaries and bonuses	125,730	296,662	1,476,098
Employer's contribution to defined contribution plans	10,200	7,424	87,391
Share based payment – equity settled (net)	246,523	169,351	68,665
Others	34,080	38,160	36,930
	416,533	511,597	1,669,084
Research and development expense			
Salaries and bonuses of researchers	1,092,093	1,304,095	737,913
Employer's contribution to defined contribution plans of researchers	118,749	143,751	84,443
Design/Certification	182,364	533,730	110
Testing	145,925	161,887	155,223
Others	3,820	143,226	17,025
	1,542,951	2,286,689	994,714

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

24 EMPLOYEES' SHARE OPTION SCHEME

The Group has an Employees' Share Option Scheme (the "Scheme") for its employees. The Scheme is administered by the Board of Directors. Options are exercisable at a price based on 20% of the post-money valuation price per share prevailing at the last completed third party financing exercise before the grant date. The vesting period is dependent on certain milestones achieved by the Group. Options are forfeited if the employee leaves the Group before the options vest.

The share options are exercisable only upon either of the following events:

(1) trade sale of the Group;

(2) sale of all or substantially all of the assets of the Group; or

(3) initial public offering of the Group's shares on an internationally recognised stock exchange.

Details of the share options outstanding during the year are as follows:

	2015		2016		2017	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		$		$		$
Outstanding at the beginning of the financial year	45,971	4.70	55,372	5.85	53,198	5.65
Granted during the year	9,589	11.44	–	–	–	–
Forfeited during the year	(188)	7.46	(2,174)	10.92	(485)	10.16
Outstanding at the end of the financial year	55,372	5.85	53,198	5.65	52,713	5.25
Exercisable at the end of the financial year	–	–	–	–	–	–

In 2015, options were granted on 1 October. The estimated fair value of the options granted on this date was $27.34 per share.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

24 EMPLOYEES' SHARE OPTION SCHEME (cont'd)

These fair values for share options granted in 2015 were calculated using The Black-Scholes pricing model. The inputs into the model were as follows:

	2015
Weighted average share price ($)	25.19
Weighted average exercise price ($)	11.44
Expected volatility (%)	96%
Expected time to maturity (years)	3
Risk free rate (%)	1.7%
Expected dividend yield (%)	Nil
Employee turnover rate (%)	11.5%

These fair values for share options granted in 2015 have been computed by adjusting for forfeiture arising from employee turnover. The expected time to maturity used in the model was determined, based on management's best estimate of the date of trade sale of the Group.

The Group recognised total expenses of $67,554 (2016: $168,649; 2015: $246,523) related to equity-settled share based payment transactions during the year.

25 SEGMENT INFORMATION

For management purposes and resource allocation, the Group is organised into business operating units based on reports reviewed by management team that are used to make strategic decisions. This forms the basis of identifying the segments of the Group under FRS 108 *Operating Segments* as follows:

(i) Technical and product development

The technical and product development segment involves identifying and assessing collaboration partners and their technology, provision of technical expertise in revenue-generating collaboration projects, and product innovation and improvement.

(ii) Global commercial channel management

The global commercial channel management segment involves management of global distributorship network and direct customers.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

25 SEGMENT INFORMATION (cont'd)

(iii) Corporate segment

The corporate segment involves the corporate functions in supporting the operations of the entire Group.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of other gains and losses, distribution and selling expenses, administrative expenses, finance income and finance cost. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Revenue		
	2015	**2016**	**2017**
	$	**$**	**$**
Technical and product development	–	943,250	771,750
Global commercial channel management	803,578	998,869	1,311,756
	803,578	1,942,119	2,083,506

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the Relevant Periods.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

25 SEGMENT INFORMATION (cont'd)

Loss after tax

	Technical and product development	Global commercial channel management	Corporate segment	Total
	$	$	$	$
2015				
Other income	–	–	258,312	258,312
Employee benefits expenses	–	–	(416,533)	(416,533)
Depreciation expense	(231,586)	(157,475)	(53,862)	(442,923)
Amortisation expense	(25,163)	–	–	(25,163)
Research and development expense	(1,289,981)	–	(252,970)	(1,542,951)
Change in fair value of financial liabilities designated as FVTPL	–	–	(2,024,400)	(2,024,400)
Other expenses	(1,099,723)	(294,813)	(1,679,861)	(3,074,397)
Finance costs	–	–	(1,258,422)	(1,258,422)
(Loss) Profit before tax	(2,646,452)	45,442	(5,427,736)	(8,028,746)
Income tax expense	–	–	–	–
(Loss) Profit after tax	(2,646,452)	45,442	(5,427,736)	(8,028,746)
2016				
Other income	–	–	503,285	503,285
Employee benefits expense	–	–	(511,597)	(511,597)
Depreciation expense	(294,723)	(138,332)	(55,897)	(488,952)
Amortisation expense	(14,392)	–	–	(14,392)
Research and development expense	(1,359,662)	(350,607)	(576,420)	(2,286,689)
Change in fair value of financial liabilities designated as FVTPL	–	–	(1,213,670)	(1,213,670)
Other expenses	(515,501)	(328,542)	(1,926,271)	(2,770,314)
Finance costs	–	–	(1,460,719)	(1,460,719)
Loss before tax	(1,472,300)	(151,466)	(5,241,290)	(6,865,056)
Income tax expense	–	–	–	–
Loss after tax	(1,472,300)	(151,466)	(5,241,290)	(6,865,056)

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

25 SEGMENT INFORMATION (cont'd)

	Technical and product development	Global commercial channel management	Corporate segment	Total
	$	$	$	$
2017				
Other income	–	–	119,271	119,271
Employee benefits expense	–	(735,727)	(933,357)	(1,669,084)
Depreciation expense	(236,414)	(229,608)	(18,623)	(484,645)
Amortisation expense	(18,462)	–	–	(18,462)
Research and development expense	(994,714)	–	–	(994,714)
Change in fair value of financial liabilities designated as FVTPL	–	–	(1,795,856)	(1,795,856)
Other expenses	(410,873)	(399,441)	(1,737,934)	(2,548,248)
Finance costs	–	–	(1,179,357)	(1,179,357)
Loss before tax	(1,094,775)	(571,860)	(5,545,857)	(7,212,492)
Income tax expense	–	–	–	–
Loss after tax	(1,094,775)	(571,860)	(5,545,857)	(7,212,492)

Segment assets

	Additions to non-current assets[1]		
	2015	2016	2017
	$	$	$
Technical and product development	664,048	237,371	176,654
Global commercial channel management	127,542	312,355	238,593
Corporate segment	11,862	17,056	23,366
Total	803,452	566,782	438,613

(1) Additions to non-current assets consist of additions to property, plant and equipment and intangible assets.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision makers monitor the property, plant and equipment and intangible assets attributable to each segment.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

25 SEGMENT INFORMATION (cont'd)

Other assets and liabilities are not allocated as they are not monitored by the chief operating decision makers for the purpose of resource allocation and assessment of segment performance.

Geographical information

Revenue information based on the geographical location of customers are as follows:

	Revenue – Product sales		
	2015	2016	2017
	$	$	$
Singapore	38,781	73,889	125,578
Japan	171,664	192,250	364,976
China	57,401	435,120	304,726
Europe	167,407	161,598	198,026
United States	7,000	28,438	73,266
Hong Kong	354,325	47,927	181,144
Others	7,000	59,647	64,040
	803,578	998,869	1,311,756

	Revenue – Project		
	2015	2016	2017
	$	$	$
Japan	–	943,250	771,750

Information about major customers of the Group

Included in revenue is an amount of $1,267,399 (2016: $1,290,786; 2015: $543,961) pertaining to the sale of its products to 2 (2016: 2; 2015: 4) third party customers and a collaboration project with 1 (2016: 1; 2015: Nil) third party partner. Other than the aforementioned, the Group is not significantly reliant on revenue derived from any major customer or group of customers under common control during the year.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

26 EARNINGS PER SHARE

Earnings per share for the Relevant Periods have been calculated based on the loss for the year of $7,212,492 (2016: $6,865,056; 2015: $8,028,746) and 50,208,039 (2016: 50,208,039; 2015: 44,237,860) adjusted shares after taking into consideration of the pre-placement share split and before conversion of the convertible loans and redeemable convertible preference shares and the exercise of the employee share options and warrants.

The diluted earnings per share is the same as the basic earnings per share as there were no further potential dilutive shares for the Relevant Periods.

For illustration purpose, the loss per share for the Relevant Periods of 3.35 cents (2016: 3.19 cents; 2015: 3.73 cents) have been calculated based on the pre-placement shares of 215,000,000 shares which is arrived at after conversion of the convertible loans and redeemable convertible preference shares, the exercise of the employee share options and warrants, and share split.

27 OPERATING LEASE ARRANGEMENTS

The Group as a lessee

	2015	2016	2017
	$	$	$
Minimum lease payments under operating leases and recognised as an expense during the year	221,112	239,208	227,913

At the end of the reporting period, the Group have outstanding commitments under non-cancellable operating leases which fall due as follows:

	2015	2016	2017
	$	$	$
Within one year	218,570	206,673	206,673
In the second to fifth year inclusive	–	421,644	214,971
Total	218,570	628,317	421,644

Operating lease payments represent rentals payable by the Group for office premises and laboratory. Leases are negotiated for an average term of 3 years (2016: 3 years; 2015: 3 years) and rentals are fixed for that period.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

28 EVENTS SUBSEQUENT TO REPORTING PERIOD

(1) On June 28, 2018, the Company entered into an investment agreement with its investors. The key terms of the investment agreement are summarised below:

(a) It is intended for all the convertible loans (Note 14) and preference shares to be converted into ordinary shares (the "Conversions").

(b) In connection with the Conversions, the investors have agreed to invest in the Company by subscribing for 115,111 ordinary shares ("Investment Shares") at the price of $57.34 per ordinary share. For each Investment Share subscribed by the investor, the Company shall issue an aggregate of 86,340 warrants ("Warrants") comprising 0.75 Warrants to each investor. The Warrants can be converted to ordinary shares at the conversion ratio of 1:1 at $1.00 per Warrant which is exercisable at any time before lodgment or 5 years, whichever is earlier.

The Conversions was completed by the Company on July 6, 2018. The subscription of Investment Shares and conversion of warrants were completed in July 2018 and September 2018 respectively.

(2) On July 2, 2018, Clearbridge Japan Co., Ltd has been dissolved by way of deregistration.

(3) On September 11, 2018, Clearbridge Biomedics, Inc. has been dissolved by way of deregistration.

(4) On September 26, 2018, 48,601 Employees' Share Option Scheme ("ESOS") options were exercised and converted to ordinary shares. The ESOS was terminated after the exercise.

(5) On November 1, 2018, the name of the Company was changed from "Clearbridge Biomedics Pte. Ltd." to "Biolidics Pte. Ltd." and the Company was converted into a public company limited by shares. Consequentially, the name of the Company was changed to "Biolidics Limited".

(6) Pursuant to written resolution dated December 3, 2018, the shareholders approved, *inter alia*, the sub-division of 1,268,678 ordinary shares into 215,000,000 ordinary shares.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

29 FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)") AND ADOPTION OF NEW STANDARDS

Applicable to 2018 financial statements

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") at December 31, 2017 that are applicable for annual period beginning on January 1, 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after January 1, 2018.

The Group will be adopting the new framework for the first time for financial year ending December 31, 2018 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* will be applied in the first set of SFRS(I) financial statements. As a result, this will be the last set of financial statements prepared under the current FRS.

On January 19, 2018, Monetary Authority of Singapore ("MAS") announced that entities lodging prospectus with MAS on or after January 1, 2018 are required to prepare historical audited financial statements restated up to three years, in accordance with SFRS(I). Transitional relief was provided to entities that currently use Financial Reporting Standards in Singapore ("FRSs") from restating the historical financial statements in accordance with SFRS(I). For entities whose track record period includes annual periods beginning on or after January 1, 2017, the transitional relief requires that the entity provides:

- Historical financial information for the year(s) prior to the annual period beginning on or after January 1, 2017 prepared in FRSs;

- Historical financial information for the annual period beginning on or after January 1, 2017 prepared in FRSs, accompanied by:

    - (a) A reconciliation of the four primary financial statements (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows) reported in accordance with FRSs, to SFRS(I) and (b) notes to describe any differences between the financial figures prepared in FRSs and those in SFRS(I);

- Historical financial information for the annual period beginning or after January 1, 2018 (if any) prepared in SFRS(I).

The Group has elected to adopt this transition relief to prepare this set of consolidated financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

29 FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)") AND ADOPTION OF NEW STANDARDS (cont'd)

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International).*

SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*

As a first-time adopter, the Group are to apply the accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (December 31, 2018). It is not possible to know all possible effects as at date of authorisation of these financial statements. If there are any subsequent pronouncements on SFRS(I) that are effective as at December 31, 2018, they may impact the disclosure of estimated effects described below.

New SFRS(I)s affecting the reported financial performance and/or financial position

- SFRS(I) 2 *Share-based Payment: Classification and Measurement of Share-based Payment Transactions*(1)
- SFRS(I) 9 *Financial Instruments*(1)
- SFRS(I) 15 *Revenue from Contracts with Customers*(1)
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*(1)
- SFRS(I) 16 *Leases*(2)

(1) Applies to annual reports beginning on or after January 1, 2018.

(2) Applies to annual reports beginning on or after January 1, 2019.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of these new SFRS(I)s does not result in changes to the Group's accounting policies and will not have a material impact on the financial statements of the Group in the period of their initial adoption, except for the following as disclosed below. Accordingly, a reconciliation of the four primary financial statements that are prepared in accordance with FRSs to SFRS(I) is not presented.

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities, (ii) general hedge accounting, and (iii) impairment requirements for financial assets.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

29 FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)") AND ADOPTION OF NEW STANDARDS (cont'd)

Key requirements of SFRS(I) 9 that are currently relevant to the Group:

- All recognised financial assets that are within the scope of SFRS(I) 9 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under SFRS(I) 9, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, SFRS(I) 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model, as opposed to an incurred credit loss model under SFRS(I) 9. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

29 FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)") AND ADOPTION OF NEW STANDARDS (cont'd)

Management expects that the initial application of the new SFRS(I) 9 will result in changes in the accounting policies relating to the recognition and measurement of its financial assets and liabilities, such as receivables but does not expect a material impact on the financial statements of the Group in the period of their initial adoption. Management has assessed that the recognition of credit losses based on the expected loss model does not have a significant impact on the financial position and/or financial performance of the Group.

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by SFRS(I) 15.

Management expects that the application of SFRS(I) 15 would not have a material impact on the amounts reported except for additional disclosure required to be made in the Group's financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

29 FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)") AND ADOPTION OF NEW STANDARDS (cont'd)

SFRS(I) 16 *Leases*

SFRS(I) 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management anticipates that the application of SFRS(I) 16 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of SFRS(I) 16 until the Group undertakes a detailed review.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

STATEMENT OF DIRECTORS

In the opinion of the directors, the financial statements of the Group as set out on pages A-4 to A-69 are drawn up so as to give a true and fair view of the financial position of the Group as at December 31, 2015, 2016 and 2017 and of the financial performance, changes in equity and cash flows of the Group for the financial years ended December 31, 2015, 2016 and 2017 and at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Lew Kwang Ping
Director

Yee Pinh Jeremy
Director

December 11, 2018

APPENDIX B – INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE SIX MONTHS ENDED JUNE 30, 2018

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE SIX MONTHS ENDED JUNE 30, 2018

December 11, 2018

The Board of Directors
Biolidics Limited
81 Science Park Drive
#02-03 The Chadwick
Singapore Science Park 1
Singapore 118257

Dear Sirs,

Introduction

We have reviewed the accompanying interim condensed unaudited consolidated financial statements of Biolidics Limited (the "Company") and its subsidiaries (the "Group") which comprise the condensed consolidated statement of financial position of the Group as at June 30, 2018, and the related condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the six months ended June 30, 2018, and selected explanatory notes as set out on pages B-3 to B-30. Management is responsible for the preparation of the interim condensed unaudited consolidated financial statements in accordance with the Singapore Financial Reporting Standard (International) 1-34, *Interim Financial Reporting* ("SFRS(I) 1-34"). Our responsibility is to express a conclusion on the interim condensed unaudited consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE SIX MONTHS ENDED JUNE 30, 2018 (cont'd)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed unaudited consolidated financial statements is not prepared, in all material respects, in accordance with SFRS(I) 1-34.

Other Matter

Other than the Group's consolidated statement of financial position as at December 31, 2017 which has been audited, all other comparative figures have not been audited nor reviewed. The interim condensed unaudited consolidated financial information for the corresponding six months ended June 30, 2018 is the responsibility of the management.

Restriction on Distribution and Use

This report has been prepared solely to you for inclusion in the Offer Document in connection with the proposed listing of Biolidics Limited on the Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited and for no other purpose.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Tsia Chee Wah
Partner

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2018

	Note	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,454,536	644,220
Trade receivables	8	289,510	131,254
Other receivables	9	361,023	244,343
Inventories	10	979,060	787,933
Total current assets		4,084,129	1,807,750
Non-current assets			
Property, plant and equipment	11	503,255	405,356
Intangible assets	12	618,513	655,135
Total non-current assets		1,121,768	1,060,491
Total assets		5,205,897	2,868,241
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	13	813,378	199,318
Other payables	14	396,032	619,843
Convertible loans	15	9,794,150	10,100,068
Total current liabilities		11,003,560	10,919,229
Non-current liabilities			
Convertible loans	15	6,322,156	6,332,566
Redeemable convertible preference shares	16	11,726,716	12,283,810
Total non-current liabilities		18,048,872	18,616,376
Capital and reserves			
Share capital	17	10,244,066	10,244,066
Translation reserve	18	9,826	(12,904)
Share option reserve	18	997,608	974,335
Accumulated losses		(35,098,035)	(37,872,861)
Net capital deficiency		(23,846,535)	(26,667,364)
Total liabilities and equity		5,205,897	2,868,241

See accompanying notes to financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Six months ended June 30, 2018

	Note	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
		$	$
Revenue	19	1,221,414	627,120
Other income	20	41,941	44,993
Changes in inventories		220,597	(22,973)
Purchases		(694,295)	(159,017)
Employee benefits expense	24	(815,820)	(753,839)
Depreciation expense	11	(227,725)	(210,625)
Amortisation expense	12	(8,236)	(13,468)
Research and development expense	24	(467,686)	(530,997)
Change in fair value of financial liabilities designated as FVTPL	15	(1,585,697)	(316,328)
Other expenses	21	(1,229,314)	(882,598)
Finance costs	22	(652,864)	(557,094)
Loss before tax		(4,197,685)	(2,774,826)
Income tax expense	23	–	–
Loss for the period	24	(4,197,685)	(2,774,826)
Other comprehensive loss for the period			
Items that may be reclassified subsequently to profit or loss:			
– Effects of translation of foreign operations		(2,097)	(22,730)
Other comprehensive loss for the period, net of tax		(2,097)	(22,730)
Total comprehensive loss for the period		(4,199,782)	(2,797,556)
Basic and diluted earnings per share (cents)	27	(8.36)	(5.53)

See accompanying notes to financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months ended June 30, 2018

	Share capital	Translation reserve	Share option reserve	Accumulated losses	Total
	$	$	$	$	$
Balance as at January 1, 2017 (Audited)	10,244,066	(10,209)	930,054	(27,885,543)	(16,721,632)
Transactions with owners, recognised directly in equity					
Recognition of share-based payments (Note 25)	–	–	73,213	–	73,213
Total comprehensive loss for the period					
Loss for the period	–	–	–	(4,197,685)	(4,197,685)
Other comprehensive loss for the period	–	(2,097)	–	–	(2,097)
Total	–	(2,097)	–	(4,197,685)	(4,199,782)
Balance as at June 30, 2017 (Unaudited)	10,244,066	(12,306)	1,003,267	(32,083,228)	(20,848,201)
Balance as at January 1, 2018 (Audited)	10,244,066	9,826	997,608	(35,098,035)	(23,846,535)
Transactions with owners, recognised directly in equity					
Movement in share-based payments (Note 25)	–	–	(23,273)	–	(23,273)
Total comprehensive loss for the period					
Loss for the period	–	–	–	(2,774,826)	(2,774,826)
Other comprehensive loss for the period	–	(22,730)	–	–	(22,730)
Total	–	(22,730)	–	(2,774,826)	(2,797,556)
Balance as at June 30, 2018 (Unaudited)	10,244,066	(12,904)	974,335	(37,872,861)	(26,667,364)

See accompanying notes to financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended June 30, 2018

	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Operating activities		
Loss before income tax	(4,197,685)	(2,774,826)
Adjustments for:		
Amortisation expense	8,236	13,468
Depreciation expense	227,725	210,625
Property, plant and equipment written off	–	27,996
Allowance for inventories	79,897	–
Doubtful debts written off	27,944	–
Share based payment – equity settled (net)	73,213	(19,794)
Change in fair value of financial liabilities designated as FVTPL	1,585,697	316,328
Accretion of interest expense on redeemable convertible preference shares	652,864	557,094
Operating cash flows before movements in working capital	(1,542,109)	(1,669,109)
Trade receivables	301,485	158,256
Other receivables	16,588	116,680
Inventories **(Note A)**	(290,481)	65,350
Trade payables	190,495	(614,060)
Other payables	(517,023)	223,811
Net cash used in operating activities	(1,841,045)	(1,719,072)
Investing activities		
Purchase of property, plant and equipment **(Note A)**	(130,929)	(14,945)
Acquisition of intangible assets	(51,854)	(50,090)
Net cash used in investing activities	(182,783)	(65,035)
Financing activities		
Repurchase of vested employee share options	–	(3,479)
Issuance of convertible loans	5,562,380	–
Net cash from (used in) financing activities	5,562,380	(3,479)
Net increase (decrease) in cash and cash equivalents	3,538,552	(1,787,586)
Cash and cash equivalents at beginning of period	1,033,029	2,454,536
Exchange effects on cash and cash equivalents	(2,097)	(22,730)
Cash and cash equivalents at end of period	4,569,484	644,220

Note A:

During the six months ended June 30, 2018, the Group has transferred $125,777 (June 30, 2017: $Nil) of inventory, which are loaned out to collaboration partners and customers, to testing and trial equipment in property, plant and equipment.

See accompanying notes to financial statements.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

1 GENERAL

Biolidics Limited (formerly known as Clearbridge Biomedics Pte. Ltd.) (the "Company") (Registration No. 200913076M) is incorporated in Singapore with its principal place of business and registered office at 81 Science Park Drive, #02-03 The Chadwick, Singapore Science Park 1, Singapore 118257. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of a research, experimental development and marketing on biotechnology, life and medical science and electronics related industrial design services.

The principal activities of the subsidiaries are disclosed in Note 1 to the audited consolidated financial statements for the years ended December 31, 2015, December 31, 2016 and December 31, 2017 as set out in Appendix A of the Offer Document.

On July 2, 2018, Clearbridge Japan Co., Ltd has been dissolved by way of deregistration.

On September 11, 2018, Clearbridge Biomedics, Inc. has been dissolved by way of deregistration.

These interim condensed unaudited consolidated financial statements have been prepared solely in connection with the proposed listing of the Company on Catalist, the sponsor-supervised board of Singapore Exchange Securities Trading Limited.

The interim condensed unaudited consolidated financial statements for the Group for the six months ended June 30, 2018 were authorised for issue by the Board of Directors on December 6, 2018.

2 BASIS OF PREPARATION

The interim condensed unaudited consolidated financial statements for the six months ended June 30, 2018 have been prepared in accordance with Singapore Financial Reporting Standard (International) 1-34 *Interim Financial Reporting* ("SFRS(I) 1-34").

The interim condensed unaudited consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the financial years ended December 31, 2015, December 31, 2016 and December 31, 2017.

As disclosed in Note 29 in the audited financial statements for the financial years ended December 31, 2015, December 31, 2016 and December 31, 2017, the Group will be adopting Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for the financial year ending December 31, 2018.

SFRS(I) 1 *First-time Adoption of SFRS(I)* will be applied for the first set of SFRS(I) financial statements. SFRS(I) 9 *Financial instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* are effective for the Group from January 1, 2018.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

3 SIGNIFICANT ACCOUNTING POLICIES

On January 1, 2018, the Group adopted all the new and revised SFRS(I)s and Interpretations of SFRS(I)s ("INT SFRS(I)") that are effective from that date and are relevant to its operations. The accounting policies to be applied for the first set of SFRS(I) financial statements for the year ending December 31, 2018 are expected to be the same as those disclosed in Note 2 of the audited financial statements for the financial years ended December 31, 2015, December 31, 2016 and December 31, 2017, except for the changes in accounting policies due to the application of SFRS(I) 9 and SFRS(I) 15. Please refer to Note 29 of the audited financial statements for the financial years ended December 31, 2015, December 31, 2016 and December 31, 2017 for further details on the effects arising from the application of SFRS(I) and the initial application of SFRS(I) 9 and SFRS(I) 15 for the financial year ending December 31, 2018.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgements and key sources of estimation uncertainty made by management remains unchanged from the audited consolidated financial statements.

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

There has been no change in the financial risk management of the Group and the Group's overall capital risk management remains unchanged from the audited consolidated financial statements.

6 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements. The balances are unsecured, repayable on demand and interest-free, unless otherwise stated.

Significant transactions during the six months ended:

	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Shareholder		
Interest expense	120,000	120,000
Rental income	11,215	–
Company related to a director of the Company		
Purchases	91,763	75,296

The balances are unsecured, interest-free, repayable on demand and expected to be settled in cash unless otherwise stated. No guarantees have been given or received.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

7 CASH AND CASH EQUIVALENTS

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
Cash at banks	2,453,550	643,719
Cash on hand	986	501
	2,454,536	644,220

8 TRADE RECEIVABLES

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
Outside parties	289,510	131,254

The average credit period on sale of goods is 30 days (December 31, 2017: 30 days). No interest is charged on the trade receivables.

The Group has determined, by reference to past default experience and expected credit losses, 100% (December 31, 2017: 100%) credit losses for receivables that are more than 12 months past due. The expected credit losses incorporate forward looking estimates. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjust for forward looking macroeconomic data. No allowance has been made as there are $Nil as at December 31, 2017 and June 30, 2018 receivables that are more than 12 months past due.

No allowance has been made for the remaining past due receivables of $114,738 (December 31, 2017: $114,707) as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

The table below is an analysis of trade receivables as at the end of reporting period:

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
Not past due and not impaired	174,803	16,516
Past due and not impaired[(i)]	114,707	114,738
	289,510	131,254

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

8 TRADE RECEIVABLES (cont'd)

(i) Aging of receivables that are past due but not impaired:

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
< 3 months	96,258	13,462
3 months to 6 months	3,426	66,472
< 12 months	15,023	34,804
	114,707	114,738

9 OTHER RECEIVABLES

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
Prepayments	239,043	139,973
Deposits	81,374	81,934
Others	40,606	22,436
	361,023	244,343

10 INVENTORIES

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
Spare parts	342,189	282,598
Finished goods	636,871	505,335
	979,060	787,933

The cost of inventories includes $Nil (December 31, 2017: $79,897) of allowance for inventory obsolescence. Allowance of inventories has been estimated based on the age, historical and expected future usage of inventories.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

11 PROPERTY, PLANT AND EQUIPMENT

	Computer and office equipment	Laboratory equipment	Testing and trial equipment	Production, tooling and mould equipment	Renovation and furniture & fittings	Total
	$	$	$	$	$	$
Cost:						
At January 1, 2017 (Audited)	68,867	276,223	864,910	674,276	139,976	2,024,252
Additions	15,878	32,711	238,593	20,240	7,488	314,910
Transfer to inventories	–	–	(16,386)	–	–	(16,386)
At December 31, 2017 (Audited)	84,745	308,934	1,087,117	694,516	147,464	2,322,776
Additions	–	–	140,722	–	–	140,722
Written off	(4,529)	(1,650)	(50,617)	–	–	(56,796)
At June 30, 2018 (Unaudited)	80,216	307,284	1,177,222	694,516	147,464	2,406,702
Accumulated depreciation:						
At January 1, 2017 (Audited)	52,106	240,103	512,740	402,491	133,809	1,341,249
Charge for the year	12,173	37,731	229,608	198,683	6,450	484,645
Disposals	–	–	(6,373)	–	–	(6,373)
At December 31, 2017 (Audited)	64,279	277,834	735,975	601,174	140,259	1,819,521
Charge for the period	5,127	6,319	122,279	74,425	2,475	210,625
Written off	(2,894)	–	(25,906)	–	–	(28,800)
At June 30, 2018 (Unaudited)	66,512	284,153	832,348	675,599	142,734	2,001,346
Carrying amount:						
At December 31, 2017 (Audited)	20,466	31,100	351,142	93,342	7,205	503,255
At June 30, 2018 (Unaudited)	13,704	23,131	344,874	18,917	4,730	405,356

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

12 INTANGIBLE ASSETS

	Patent rights	Trademark	Total
	$	$	$
Cost:			
At January 1, 2017 (Audited)	499,959	41,028	540,987
Additions	122,503	1,200	123,703
At December 31, 2017 (Audited)	622,462	42,228	664,690
Additions	50,090	–	50,090
At June 30, 2018 (Unaudited)	672,552	42,228	714,780
Accumulated amortisation:			
At January 1, 2017 (Audited)	11,199	16,516	27,715
Charge for the year	14,193	4,269	18,462
At December 31, 2017 (Audited)	25,392	20,785	46,177
Charge for the period	11,217	2,251	13,468
At June 30, 2018 (Unaudited)	36,609	23,036	59,645
Carrying amount:			
At December 31, 2017 (Audited)	597,070	21,443	618,513
At June 30, 2018 (Unaudited)	635,943	19,192	655,135

The carrying amount of the Group's patent rights includes an amount of $434,114 (December 31, 2017: $557,232) that is still in the application process with intellectual property office.

13 TRADE PAYABLES

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
Outside parties	748,209	199,318
Related party (Note 6)	65,169	–
	813,378	199,318

The average credit period on purchases of goods is 30 days (December 31, 2017: 30 days). No interest is charged on the trade payables.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

14 OTHER PAYABLES

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
Accruals	305,805	256,668
Advances from outside parties	25,650	256,656
Deferred income	11,042	47,675
Related party (Note 6)	4,599	4,599
Others	48,936	54,245
	396,032	619,843

Included in the balance of advances from outside parties is an amount of $231,006 (December 31, 2017: $Nil) which relates to advance payments from subscribers of investment shares under the Investment Agreement (Note 29).

15 CONVERTIBLE LOANS

	Nominal Value		Fair Value	
	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$	$	$
Convertible loan 1	3,500,000	3,500,000	6,556,206	6,653,698
Convertible loan 2	2,019,975	2,019,975	3,237,944	3,446,370
Convertible loan 3	2,793,860	2,793,860	3,207,177	3,212,709
Convertible loan 4	2,768,520	2,768,520	3,114,979	3,119,857
	11,082,355	11,082,355	16,116,306	16,432,634
Less: Amount due for settlement within 12 months			(9,794,150)	(10,100,068)
Amount due for settlement after 12 months			6,322,156	6,332,566

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

15 CONVERTIBLE LOANS (cont'd)

The fair value of the convertible loans includes cumulative accrued interest of S$2,297,656 (December 31, 2017: S$1,644,878).

Convertible loans 1 and 2 with nominal value of $3,500,000 and $2,020,000 was issued on September 28, 2015 and November 1, 2016 respectively to third party and related party convertible loan holders.

Convertible loans 3 and 4 with nominal value of $2,793,860 and $2,768,520 was issued on March 21, 2017 and June 2, 2017 respectively to third party convertible loan holders.

On July 6, 2018, principal amount of convertible loans 1, 2, 3 and 4 and the respective interest accrued up to May 31, 2018 was converted into ordinary shares. The interest accrued from June 1, 2018 to July 6, 2018, amounting to $131,420 was repaid to the convertible loan holders in cash.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

			Non-cash changes	
	January 1, 2017 (Audited)	**Financing cash flows**	**Changes in fair value**	**December 31, 2017 (Audited)**
	$	**$**	**$**	**$**
Convertible loans	8,758,070	5,562,380	1,795,856	16,116,306

			Non-cash changes	
	January 1, 2018 (Audited)	**Financing cash flows**	**Changes in fair value**	**June 30, 2018 (Unaudited)**
	$	**$**	**$**	**$**
Convertible loans	16,116,306	–	316,328	16,432,634

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

15 CONVERTIBLE LOANS (cont'd)

Convertible loan 1

The key terms of the convertible loan are summarised below:

(1) Incentive bonus shares of 61,040 fully paid-up ordinary shares was issued to the lenders at a nominal issue price of $0.01 on September 28, 2015.

(2) Interest of 12% per annum shall be accrued until date of settlement.

(3) The convertible loan and accrued interest shall be automatically converted into conversion shares at an issue price equivalent to 75% of the issue price of the Next Qualifying Financing Round equity share if the Next Qualifying Financing Round occurs on or prior to March 31, 2016, and 70% of the issue price of the Next Qualifying Financing Round equity share if the Next Qualifying Financing Round occurs after April 1, 2016. Next Qualifying Financing Round is defined as the next equity financing round in a single transaction or a series of related transactions with aggregate subscription proceeds of no less than $8,000,000.

(4) In the event that the convertible loan is not converted pursuant to the terms of this agreement, the Company shall repay without further notice an amount equivalent to 200% of the principal amount which is deemed to include all interest accrued.

(5) The convertible loan and accrued interest shall be redeemed in full, whether by way of conversion or by cash repayment, by no later than September 28, 2018.

(6) The convertible loan shall rank in priority to all other obligations of the Company (except for trade debts and any debts which are preferred by any bankruptcy, insolvency or other similar laws of general applications).

Convertible loan 2

The key terms of the convertible loan are summarised below:

(1) Incentive bonus shares of 35,229 fully paid-up ordinary shares was issued to the lenders at a nominal issue price of $1.01 on November 1, 2016.

(2) Interest of 12% per annum shall be accrued until date of settlement.

(3) The convertible loan and accrued interest shall be automatically converted into conversion shares at an issue price equivalent to 70% of the issue price of the Next Qualifying Financing Round equity share if the Next Qualifying Financing Round occurs after November 1, 2016. Next Qualifying Financing Round is defined as the next equity financing round in a single transaction or a series of related transactions with aggregate subscription proceeds of no less than $6,000,000.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

15 CONVERTIBLE LOANS (cont'd)

(4) In the event that the convertible loan is not converted pursuant to the terms of this agreement, the Company shall repay without further notice an amount equivalent to 100% of the principal amount together with all interest accrued up to the point of repayment.

(5) The convertible loan and accrued interest shall be redeemed in full, whether by way of conversion or by cash repayment, by no later than November 16, 2018.

(6) The convertible loan shall rank *pari passu* with the existing convertible loans but in priority to all other obligations of the Company (except for trade debts and any debts which are preferred by any bankruptcy, insolvency or other similar laws of general applications).

Convertible loan 3

The key terms of the convertible loan are summarised below:

(1) Interest of 12% per annum shall be accrued until date of settlement.

(2) The convertible loan and accrued interest shall be automatically converted into conversion shares at a conversion price of $59.15 per share if the Next Qualifying Financing Round occurs after March 20, 2017. Next Qualifying Financing Round is defined as the next equity financing round in a single transaction or a series of related transactions with aggregate subscription proceeds of no less than US$5,000,000.

(3) In the event that the convertible loan is not converted pursuant to the terms of this agreement, the Company shall repay without further notice an amount equivalent to 100% of the principal amount together with all interest accrued up to the point of repayment.

(4) The convertible loan and accrued interest shall be redeemed in full, whether by way of conversion or by cash repayment, by no later than March 31, 2022.

(5) The convertible loan shall rank *pari passu* with Convertible Loan 4 but in priority to all existing convertible loans and other obligations of the Company (except for trade debts and any debts which are preferred by any bankruptcy, insolvency or other similar laws of general applications).

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

15 CONVERTIBLE LOANS (cont'd)

Convertible loan 4

The key terms of the convertible loan are summarised below:

(1) Interest of 12% per annum shall be accrued until date of settlement.

(2) The convertible loan and accrued interest shall be automatically converted into conversion shares at a conversion price of $59.15 per share if the Next Qualifying Financing Round occurs after June 9, 2017. Next Qualifying Financing Round is defined as the next equity financing round in a single transaction or a series of related transactions with aggregate subscription proceeds of no less than US$5,000,000.

(3) In the event that the convertible loan is not converted pursuant to the terms of this agreement, the Company shall repay without further notice an amount equivalent to 100% of the principal amount together with all interest accrued up to the point of repayment.

(4) The convertible loan and accrued interest shall be redeemed in full, whether by way of conversion or by cash repayment, by no later than June 9, 2022.

(5) The convertible loan shall rank *pari passu* with Convertible Loan 3 but in priority to all existing convertible loans and other obligations of the Company (except for trade debts and any debts which are preferred by any bankruptcy, insolvency or other similar laws of general applications).

16 REDEEMABLE CONVERTIBLE PREFERENCE SHARES

The Series B and B2 Redeemable Convertible Preference Shares ("RCPS") may be redeemable at the call of the holders after 7 years and 5 years respectively from date of issue or converted into ordinary shares at conversion ratio of one ordinary share of the Company for every Series B and B2 RCPS held at any time from date of issue. Further details on these shares are disclosed in Note 17.

The net proceeds received from the issue of these RCPS were segregated between the liability component and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Group as follows:

	Series B RCPS	Series B2 RCPS	Total
	$	$	$
Nominal value of RCPS	8,656,626	5,000,392	13,657,018
Equity component	(4,548,472)	(2,627,368)	(7,175,840)
Liability component at date of issue	4,108,154	2,373,024	6,481,178

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

16 REDEEMABLE CONVERTIBLE PREFERENCE SHARES (cont'd)

	Series B RCPS	Series B2 RCPS	Total
	$	$	$
As at January 1, 2017 (Audited)	6,971,847	3,575,512	10,547,359
Accretion of interest expense	604,578	574,779	1,179,357
As at December 31, 2017 (Audited)	7,576,425	4,150,291	11,726,716
Accretion of interest expense (Note 22)	235,931	321,163	557,094
As at June 30, 2018 (Unaudited)	7,812,356	4,471,454	12,283,810

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

			Non-cash changes	
	January 1, 2017 (Audited)	Financing cash flows	Changes in fair value	December 31, 2017 (Audited)
	$	$	$	$
RCPS	10,547,359	–	1,179,357	11,726,716

			Non-cash changes	
	January 1, 2018 (Audited)	Financing cash flows	Changes in fair value	June 30, 2018 (Unaudited)
	$	$	$	$
RCPS	11,726,716	–	557,094	12,283,810

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

17 SHARE CAPITAL

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	Number of shares		$	$
Ordinary shares				
Beginning and end of year/period	296,269	296,269	200,001	200,001
Series A preference shares[(i)]				
Beginning and end of year/period	114,729	114,729	2,868,225	2,868,225
Series B RCPS[(ii)]				
Beginning and end of year/period	236,215	236,215	4,548,472	4,548,472
Series B2 RCPS[(iii)]				
Beginning and end of year/period	87,206	87,206	2,627,368	2,627,368
Total	734,419	734,419	10,244,066	10,244,066

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

(i) The Series A preference shares ("Series A PS") issued in 2013 are not redeemable. Series A PS may be converted into ordinary shares at conversion ratio of one ordinary share for every Series A PS held at any time from date of issue. All Series A PS carry one vote per share without restriction.

(ii) The Series B RCPS issued in 2013 are non-cumulative and 8% dividend only payable to the extent of the Company's available distributable profits and any shortfall shall not be carried to the next financial year. Series B may be redeemable after 7 years (December 31, 2017: 7 years) from date of issue at the call of the holders or converted into ordinary shares at conversion ratio of one ordinary share for every Series B RCPS held at any time from date of issue. All Series B RCPS carry one vote per share without restriction.

(iii) The Series B2 RCPS issued in 2014 are non-cumulative and with 8% dividend only payable to the extent of the Company's available distributable profits and any shortfall shall not be carried to the next financial year. Series B2 RCPS may be redeemable after 5 years (December 31, 2017: 5 years) from date of issue at the call of the holders or converted into ordinary shares at conversion ratio of one ordinary share for every Series B2 RCPS held at any time from date of issue. All Series B2 RCPS carry one vote per share without restriction.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

18 RESERVES

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Share option reserve

The share option reserve arises on the grant of share options to employees under the Employees' Share Option Scheme (the "Scheme"). Further information about share-based payments to employees is set out in Note 25 to the financial statements.

19 REVENUE

	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Sales of goods	771,226	627,120
Project revenue	450,188	–
	1,221,414	627,120

20 OTHER INCOME

	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Government grants and rebates	13,065	–
Rental income (Note 6)	11,215	–
Share based payment – equity settled	–	23,273
Others	17,661	21,720
	41,941	44,993

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

21 OTHER EXPENSES

	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Property, plant and equipment write off	–	27,996
Doubtful debt written off	27,944	–
Rental expenses	113,406	112,312
Travels	202,213	89,734
Professional fees	280,464	136,361
Sales and marketing expenses	92,057	72,609
Clinical studies	159,374	139,480
Provision for unconsumed leave	7,455	16,298
Foreign exchange loss	45,470	11,686
Others	300,931	276,122
	1,229,314	882,598

22 FINANCE COSTS

	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Accretion of interest expense on redeemable convertible preference shares (Note 16)	652,864	557,094

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

23 INCOME TAX EXPENSE

Domestic income tax is calculated at 17% (June 30, 2017: 17%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction. The total charge for the period can be reconciled to the accounting loss as follows:

	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Loss before tax	(4,197,685)	(2,774,826)
Tax at the domestic rate of 17% (June 30, 2017: 17%)	(713,606)	(471,720)
Effect of expenses that are not deductible in determining taxable profit	432,195	172,294
Effect of tax losses not recognised	281,411	299,426
Income tax expense for the period	–	–

The Group has estimated unabsorbed tax losses of $37,620,000 (December 31, 2017: $35,860,000) and unutilised capital allowance of $134,000 (December 31, 2017: $134,000) available for offsetting against future taxable income subject to agreement with the Comptroller of Income Tax and the relevant provisions of the Income Tax Act.

Deferred tax asset is not recognised in the financial statements due to the uncertainty on whether all conditions imposed by law in relation to the utilisation of the deferred tax asset will be met.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

24 LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Employee benefits expense (including directors' remuneration)		
Salaries and bonuses	695,195	700,285
Employer's contribution to defined contribution plans	47,412	50,075
Share based payment – equity settled	73,213	3,479
	815,820	753,839
Research and development expense		
Salaries and bonuses of researchers	354,885	388,450
Employer's contribution to defined contribution plans of researchers	40,575	34,738
Design/Certification	110	36,820
Testing	57,901	70,978
Others	14,215	11
	467,686	530,997

25 EMPLOYEES' SHARE OPTION SCHEME

The Group has an Employees' Share Option Scheme (the "Scheme") for its employees. The Scheme is administered by the Board of Directors. Options are exercisable at a price based on 20% of the post-money valuation price per share prevailing at the last completed third party financing exercise before the grant date. The vesting period is dependent on certain milestones achieved by the Group. Options are forfeited if the employee leaves the Group before the options vest.

The share options are exercisable only upon the following events:

(1) trade sale of the Group;

(2) sale of all or substantially all of the assets of the Group; or

(3) initial public offering of the Group's shares on an internationally recognised stock exchange.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

25 EMPLOYEES' SHARE OPTION SCHEME (cont'd)

Details of the share options outstanding during the year/period are as follows:

	December 31, 2017 (Audited)		June 30, 2018 (Unaudited)	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		$		$
Outstanding at the beginning of the financial year/period	53,198	5.65	52,713	5.25
Forfeited during the year/period	(485)	10.16	(816)	8.28
Outstanding at the end of the financial year/period	52,713	5.25	51,897	5.21
Exercisable at the end of the financial year/period	–	–	–	–

The Group recognised total employee benefits expense with a credit of $19,794 (June 30, 2017: expenses of $73,213) related to equity-settled share based payment/repurchase transactions during the period.

26 SEGMENT INFORMATION

For management purposes and resource allocation, the Group is organised into business operating units based on reports reviewed by management team that are used to make strategic decisions. This forms the basis of identifying the segments of the Group under SFRS(I) 8 *Operating Segments* as follows:

(i) Technical and product development

The technical and product development segment involves identifying and assessing collaboration partners and their technology, provision of technical expertise in revenue-generating collaboration projects, and product innovation and improvement.

(ii) Global commercial channel management

The global commercial channel management segment involves management of global distributorship network and direct customers.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

26 SEGMENT INFORMATION (cont'd)

(iii) Corporate segment

The corporate segment involves the corporate functions in supporting the operations of the entire Group.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of other gains and losses, distribution and selling expenses, administrative expenses, finance income and finance cost. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Revenue	
	January 1, 2017 to June 30, 2017 (Unaudited)	**January 1, 2018 to June 30, 2018 (Unaudited)**
	$	**$**
Technical and product development	450,188	–
Global commercial channel management	771,226	627,120
	1,221,414	627,120

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the respective periods.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

26 SEGMENT INFORMATION (cont'd)

Loss after tax

	Technical and product development	Global commercial channel management	Corporate segment	Total
	$	$	$	$
January 1, 2017 to June 30, 2017 (Unaudited)				
Other income	–	–	41,941	41,941
Employee benefits expenses	–	(322,052)	(493,768)	(815,820)
Depreciation expense	(123,917)	(94,483)	(9,325)	(227,725)
Amortisation expense	(8,236)	–	–	(8,236)
Research and development expense	(467,686)	–	–	(467,686)
Change in fair value of financial liabilities designated as FVTPL	–	–	(1,585,697)	(1,585,697)
Other expenses	(199,223)	(146,228)	(883,863)	(1,229,314)
Finance costs	–	–	(652,864)	(652,864)
Loss before tax	(476,445)	(137,664)	(3,583,576)	(4,197,685)
Income tax expense	–	–	–	–
Loss after tax	(476,445)	(137,664)	(3,583,576)	(4,197,685)
January 1, 2018 to June 30, 2018 (Unaudited)				
Other income	–	–	44,993	44,993
Employee benefits expense	–	(332,602)	(421,237)	(753,839)
Depreciation expense	(80,743)	(122,279)	(7,603)	(210,625)
Amortisation expense	(13,468)	–	–	(13,468)
Research and development expense	(530,997)	–	–	(530,997)
Change in fair value of financial liabilities designated as FVTPL	–	–	(316,328)	(316,328)
Other expenses	(158,441)	(127,371)	(596,786)	(882,598)
Finance costs	–	–	(557,094)	(557,094)
Loss before tax	(783,649)	(137,122)	(1,854,055)	(2,774,826)
Income tax expense	–	–	–	–
Loss after tax	(783,649)	(137,122)	(1,854,055)	(2,774,826)

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

26 SEGMENT INFORMATION (cont'd)

Segment assets

	Additions to non-current assets[1]	
	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
Technical and product development	176,654	50,090
Global commercial channel management	238,593	140,722
Corporate segment	23,366	–
Total	438,613	190,812

[1] Additions to non-current assets consist of additions to property, plant and equipment and intangible assets.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision makers monitor the property, plant and equipment and intangible assets attributable to each segment.

Other assets and liabilities are not allocated as they are not monitored by the chief operating decision makers for the purpose of resource allocation and assessment of segment performance.

Geographical information

Revenue information based on the geographical location of customers are as follows:

	Revenue – Product Sales	
	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Singapore	41,347	23,049
Japan	274,812	245,570
China	258,999	29,425
Europe	9,282	290,869
United States	35,150	4,539
Hong Kong	87,594	20,802
Others	64,042	12,866
	771,226	627,120

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

26 SEGMENT INFORMATION (cont'd)

	Revenue – Project	
	January 1, 2017 to June 30, 2017 (Unaudited)	**January 1, 2018 to June 30, 2018 (Unaudited)**
	$	**$**
Japan	450,188	–

Information about major customers of the Group

Included in revenue is an amount of $400,190 (June 30, 2017: $923,032) pertaining to the sale of its products to 3 (June 30, 2017: 2) third party customers and a collaboration project with 1 third party partner in June 30, 2017. Other than the aforementioned, the Group is not significantly reliant on revenue derived from any major customer or group of customers under common control during the period.

Operations in the interim period

The Group's business is generally not subjected to significant seasonal fluctuations.

27 EARNINGS PER SHARE

Earnings per share for the periods ended June 30, 2018 and June 30, 2017 have been calculated based on the loss for the period of $2,774,826 (June 30, 2017: $4,197,685) and 50,208,039 adjusted shares after taking into consideration of the pre-placement share split and before conversion of the convertible loans and redeemable convertible preference shares and the exercise of the employee share options and warrants.

The diluted earnings per share is the same as the basic earnings per share as there were no further potential dilutive shares for the respective periods.

For illustration purpose, the loss per share for the periods ended June 30, 2018 and June 30, 2017 of 1.29 cents and 1.95 cents respectively, have been calculated based on the pre-placement shares of 215,000,000 shares which is arrived at after conversion of the convertible loans and redeemable convertible preference shares, the exercise of the employee share options and warrants, and share split.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

28 OPERATING LEASE ARRANGEMENTS

The Group as a lessee

	January 1, 2017 to June 30, 2017 (Unaudited)	January 1, 2018 to June 30, 2018 (Unaudited)
	$	$
Minimum lease payments under operating leases and recognised as an expense during the period	113,406	112,312

At the end of the reporting period, the Group have outstanding commitments under non-cancellable operating leases which fall due as follows:

	December 31, 2017 (Audited)	June 30, 2018 (Unaudited)
	$	$
Within one year	206,673	210,822
In the second to fifth year inclusive	214,971	107,486
Total	421,644	318,308

Operating lease payments represent rentals payable by the Group for office premises and laboratory. Leases are negotiated for an average term of 3 years (December 31, 2017: 3 years) and rentals are fixed for that period.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2018

29 EVENTS SUBSEQUENT TO REPORTING PERIOD

(1) On June 28, 2018, the Company entered into an investment agreement with its investors. The key terms of the investment agreement are summarised below:

(a) It is intended for all the convertible loans (Note 15) and preference shares to be converted into ordinary shares (the "Conversions").

(b) In connection with the Conversions, the investors have agreed to invest in the Company by subscribing for 115,111 ordinary shares ("Investment Shares") at the price of $57.34 per ordinary share. For each Investment Share subscribed by the investor, the Company shall issue an aggregate of 86,340 warrants ("Warrants") comprising 0.75 Warrants to each investor. The Warrants can be converted to ordinary shares at the conversion ratio of 1:1 at $1.00 per Warrant which is exercisable at any time before lodgement or 5 years, whichever earlier.

The Conversions was completed by the Company on July 6, 2018. The subscription of Investment Shares and conversion of warrants were completed in July 2018 and September 2018 respectively.

(2) On July 2, 2018, Clearbridge Japan Co., Ltd has been dissolved by way of deregistration.

(3) On September 11, 2018, Clearbridge Biomedics, Inc. has been dissolved by way of deregistration.

(4) On September 26, 2018, 48,601 Employees' Share Option Scheme ("ESOS") options were exercised and converted to ordinary shares. The ESOS was terminated after the exercise.

(5) On November 1, 2018, the name of the Company was changed from "Clearbridge Biomedics Pte. Ltd." to "Biolidics Pte. Ltd." and the Company was converted into a public company limited by shares. Consequentially, the name of the Company was changed to "Biolidics Limited".

(6) Pursuant to written resolution dated December 3, 2018, the shareholders approved, *inter alia*, the sub-division of 1,268,678 ordinary shares into 215,000,000 ordinary shares.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

STATEMENT OF DIRECTORS

In the opinion of the directors, the interim condensed unaudited consolidated financial statements of the Group as set out on pages B-3 to B-30 are drawn up so as to give a true and fair view of the financial position of the Group as at June 30, 2018 and the financial performance, changes in equity and cash flows of the Group for the six months ended June 30, 2018 and at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Lew Kwang Ping
Director

Yee Pinh Jeremy
Director

December 11, 2018

This page has been intentionally left blank.

APPENDIX C – UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017 AND SIX MONTHS ENDED JUNE 30, 2018

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017 AND THE SIX MONTHS ENDED JUNE 30, 2018

December 11, 2018

The Board of Directors
Biolidics Limited
81 Science Park Drive
#02-03 The Chadwick
Singapore Science Park 1
Singapore 118257

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma consolidated financial information of Biolidics Limited (the "Company") and its subsidiaries (the "Group") by management. The unaudited pro forma consolidated financial information of the Group consists of the pro forma consolidated statements of financial position as at December 31, 2017 and June 30, 2018, the pro forma consolidated statements of profit or loss and other comprehensive income and the pro forma consolidated statements of cash flow for the financial year ended December 31, 2017 and six months ended June 30, 2018 and related notes as set out on pages C-5 to C-20 of the Offer Document issued by the Group. The unaudited pro forma consolidated financial information of the Group has been prepared for illustrative purposes only and based on certain assumptions after making certain adjustments. The applicable criteria on the basis of which management of the Group has compiled the unaudited pro forma consolidated financial information are described in Note 3.

The unaudited pro forma consolidated financial information of the Group has been compiled by management to illustrate the impact of the events or transactions set out in Note 2 on:

(i) the unaudited pro forma consolidated financial positions of the Group as at December 31, 2017 and June 30, 2018 as if the events or transactions had occurred on December 31, 2017 and June 30, 2018 respectively;

(ii) the unaudited pro forma consolidated financial performance of the Group for the financial year ended December 31, 2017 and six months ended June 30, 2018 as if the events or transactions had occurred on January 1, 2017; and

(iii) the unaudited pro forma consolidated cash flows of the Group for the financial year ended December 31, 2017 and six months ended June 30, 2018 as if the events or transactions had occurred on January 1, 2017.

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017 AND THE SIX MONTHS ENDED JUNE 30, 2018 (cont'd)

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information (cont'd)

As part of this process, information about the Group's financial position, profit or loss and other comprehensive income and cash flows has been extracted by management from the Group's financial statements for the financial year ended December 31, 2017, on which an audit report has been published, and the Group's interim condensed unaudited consolidated financial statements for the six months ended June 30, 2018, on which a review report has been published.

Management's Responsibility for the Unaudited Pro Forma Consolidated Financial Information

Management is responsible for compiling the unaudited pro forma consolidated financial information of the Group on the basis of the applicable criteria as described in Note 3.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma consolidated financial information of the Group has been compiled, in all material respects, by management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information Included in a Prospectus* ("SSAE 3420") issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma consolidated financial information of the Group on the basis of the applicable criteria as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma consolidated financial information of the Group, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma consolidated financial information of the Group.

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017 AND THE SIX MONTHS ENDED JUNE 30, 2018 (cont'd)

Auditor's Responsibilities (cont'd)

The purpose of the unaudited pro forma consolidated financial information of the Group included in the Offer Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma consolidated financial information of the Group has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the unaudited pro forma consolidated financial information of the Group provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

(i) The related pro forma adjustments give appropriate effect to those criteria; and

(ii) The unaudited pro forma consolidated financial information of the Group reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgement, having regard to the auditor's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma consolidated financial information of the Group has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma consolidated financial information of the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) The unaudited pro forma consolidated financial information of the Group has been compiled:

  (i) for the financial year ended December 31, 2017 in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Financial Reporting Standards in Singapore ("FRSs");

  (ii) for the six months ended June 30, 2018 in a manner consistent with the accounting policies adopted by the Group in its latest reviewed financial statements, which are in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)");

  (iii) on the basis of the applicable criteria stated in Note 3 of the unaudited pro forma consolidated financial information of the Group; and

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF BIOLIDICS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017 AND THE SIX MONTHS ENDED JUNE 30, 2018 (cont'd)

Opinion (cont'd)

(b) Each material adjustment made to the information used in the preparation of the unaudited pro forma consolidated financial information of the Group is appropriate for the purpose of preparing such unaudited financial information.

Restriction of Use and Distribution

This report has been prepared solely to you for inclusion in the Offer Document in connection with the proposed listing of Biolidics Limited on Catalist, the sponsor supervised board of the Singapore Exchange Securities Trading Limited and for no other purpose.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Tsia Chee Wah
Partner

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

	Audited consolidated statement of financial position	Unaudited pro forma adjustments[1]	Unaudited pro forma consolidated statement of financial position
	$	$	$
ASSETS			
Current assets			
Cash and cash equivalents	2,454,536	6,700,755	9,155,291
Trade receivables	289,510	–	289,510
Other receivables	361,023	–	361,023
Inventories	979,060	–	979,060
Total current assets	4,084,129	6,700,755	10,784,884
Non-current assets			
Property, plant and equipment	503,255	–	503,255
Intangible assets	618,513	–	618,513
Total non-current assets	1,121,768	–	1,121,768
Total assets	5,205,897	6,700,755	11,906,652

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)
As at December 31, 2017

	Audited consolidated statement of financial position	Unaudited pro forma adjustments[1]	Unaudited pro forma consolidated statement of financial position
	$	$	$
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	813,378	–	813,378
Other payables	396,032	–	396,032
Convertible loans	9,794,150	(9,794,150)	–
Total current liabilities	11,003,560	(9,794,150)	1,209,410
Non-current liabilities			
Convertible loans	6,322,156	(6,322,156)	–
Redeemable convertible preference shares	11,726,716	(11,726,716)	–
Total non-current liabilities	18,048,872	(18,048,872)	–
Capital and reserves			
Share capital	10,244,066	36,320,326	46,564,392
Translation reserve	9,826	–	9,826
Share option reserve	997,608	(997,608)	–
Accumulated losses	(35,098,035)	(778,941)	(35,876,976)
Equity (Net capital deficiency)	(23,846,535)	34,543,777	10,697,242
Total liabilities and equity	5,205,897	6,700,755	11,906,652

(1) Being unaudited pro forma adjustments to reflect as if the Series C financing, conversion of convertible loans and preference shares and exercise of Employees' Share Option Scheme options had occurred on December 31, 2017 as described in Note 2.

The accompanying notes form an integral part of this unaudited pro forma consolidated financial information.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended December 31, 2017

	Audited consolidated statement of profit or loss and other comprehensive income	Unaudited pro forma adjustments[1]	Unaudited pro forma consolidated statement of profit or loss and other comprehensive income
	$	$	$
Revenue	2,083,506	–	2,083,506
Other income	119,271	–	119,271
Changes in inventories	567,607	–	567,607
Purchases	(1,292,510)	–	(1,292,510)
Employee benefits expense	(1,669,084)	–	(1,669,084)
Depreciation expense	(484,645)	–	(484,645)
Amortisation expense	(18,462)	–	(18,462)
Research and development expense	(994,714)	–	(994,714)
Change in fair value of financial liabilities designated as FVTPL	(1,795,856)	1,795,856	–
Other expenses	(2,548,248)	–	(2,548,248)
Finance costs	(1,179,357)	1,179,357	–
Loss before tax	(7,212,492)	2,975,213	(4,237,279)
Income tax expense	–	–	–
Loss for the year	(7,212,492)	2,975,213	(4,237,279)
Other comprehensive income (loss) for the year			
Items that may be reclassified subsequently to profit or loss:			
– Effects of translation of foreign operations	20,035	–	20,035
Total comprehensive loss for the year	(7,192,457)	2,975,213	(4,217,244)
Basic and diluted earnings per share (cents)	(14.37)		(1.97)

[1] Being unaudited pro forma adjustments to reflect as if the conversion of convertible loans and preference shares had occurred on January 1, 2017 as described in Note 2.

The accompanying notes form an integral part of this unaudited pro forma consolidated financial information.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended December 31, 2017

	Audited consolidated statement of cash flows	Unaudited pro forma adjustments[1]	Unaudited pro forma consolidated statement of cash flows
	$	$	$
Operating activities			
Loss before income tax	(7,212,492)	2,975,213	(4,237,279)
Adjustments for:			
Amortisation expense	18,462	–	18,462
Depreciation expense	484,645	–	484,645
Allowance for inventories	79,897	–	79,897
Doubtful debts written off	27,944	–	27,944
Share based payment – equity settled (net)	68,665	–	68,665
Change in fair value of financial liabilities designated as FVTPL	1,795,856	(1,795,856)	–
Accretion of interest expense on redeemable convertible preference shares	1,179,357	(1,179,357)	–
Operating cash flows before movements in working capital	(3,557,666)	–	(3,557,666)
Trade receivables	383,132	–	383,132
Other receivables	22,995	–	22,995
Inventories	(637,491)	–	(637,491)
Trade payables	589,499	–	589,499
Other payables	(521,653)	–	(521,653)
Cash used in operations	(3,721,184)	–	(3,721,184)
Interest paid	–	(131,420)	(131,420)
Net cash used in operating activities	(3,721,184)	(131,420)	(3,852,604)

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
Year ended December 31, 2017

	Audited consolidated statement of cash flows	Unaudited pro forma adjustments[(1)]	Unaudited pro forma consolidated statement of cash flows
	$	$	$
Investing activities			
Purchase of property, plant and equipment	(314,910)	–	(314,910)
Acquisition of intangible assets	(123,703)	–	(123,703)
Net cash used in investing activities	(438,613)	–	(438,613)
Financing activities			
Issuance of ordinary shares	–	6,839,044	6,839,044
Repurchase of vested employee share options	(1,111)	(6,869)	(7,980)
Issuance of convertible loans	5,562,380	–	5,562,380
Net cash from financing activities	5,561,269	6,832,175	12,393,444
Net increase in cash and cash equivalents	1,401,472	6,700,755	8,102,227
Cash and cash equivalents at beginning of year	1,033,029	–	1,033,029
Exchange effects on cash and cash equivalents	20,035	–	20,035
Cash and cash equivalents at end of year	2,454,536	6,700,755	9,155,291

(1) Being unaudited pro forma adjustments to reflect as if the Series C financing, conversion of convertible loans and preference shares and exercise of Employees' Share Option Scheme options had occurred on January 1, 2017 as described in Note 2.

The accompanying notes form an integral part of this unaudited pro forma consolidated financial information.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2018

	Unaudited consolidated statement of financial position	Unaudited pro forma adjustments[1]	Unaudited pro forma consolidated statement of financial position
	$	$	$
ASSETS			
Current assets			
Cash and cash equivalents	644,220	6,704,234	7,348,454
Trade receivables	131,254	–	131,254
Other receivables	244,343	–	244,343
Inventories	787,933	–	787,933
Total current assets	1,807,750	6,704,234	8,511,984
Non-current assets			
Property, plant and equipment	405,356	–	405,356
Intangible assets	655,135	–	655,135
Total non-current assets	1,060,491	–	1,060,491
Total assets	2,868,241	6,704,234	9,572,475
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	199,318	–	199,318
Other payables	619,843	–	619,843
Convertible loans	10,100,068	(10,100,068)	–
Total current liabilities	10,919,229	(10,100,068)	819,161
Non-current liabilities			
Convertible loans	6,332,566	(6,332,566)	–
Redeemable convertible preference shares	12,283,810	(12,283,810)	–
Total non-current liabilities	18,616,376	(18,616,376)	–
Capital and reserves			
Share capital	10,244,066	36,320,326	46,564,392
Translation reserve	(12,904)	–	(12,904)
Share option reserve	974,335	(974,335)	–
Accumulated losses	(37,872,861)	74,687	(37,798,174)
Equity (Net capital deficiency)	(26,667,364)	35,420,678	8,753,314
Total liabilities and equity	2,868,241	6,704,234	9,572,475

[1] Being unaudited pro forma adjustments to reflect as if the Series C financing, conversion of convertible loans and preference shares and exercise of Employees' Share Option Scheme options had occurred on June 30, 2018 as described in Note 2.

The accompanying notes form an integral part of this unaudited pro forma consolidated financial information.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Six months ended June 30, 2018

	Unaudited consolidated statement of profit or loss and other comprehensive income	Unaudited pro forma adjustments[1]	Unaudited pro forma consolidated statement of profit or loss and other comprehensive income
	$	$	$
Revenue	627,120	–	627,120
Other income	44,993	–	44,993
Changes in inventories	(22,973)	–	(22,973)
Purchases	(159,017)	–	(159,017)
Employee benefits expense	(753,839)	–	(753,839)
Depreciation expense	(210,625)	–	(210,625)
Amortisation expense	(13,468)	–	(13,468)
Research and development expense	(530,997)	–	(530,997)
Change in fair value of financial liabilities designated as FVTPL	(316,328)	316,328	–
Other expenses	(882,598)	–	(882,598)
Finance costs	(557,094)	557,094	–
Loss before tax	(2,774,826)	873,422	(1,901,404)
Income tax expense	–	–	–
Loss for the period	(2,774,826)	873,422	(1,901,404)
Other comprehensive loss for the period			
Items that may be reclassified subsequently to profit or loss:			
– Effects of translation of foreign operations	(22,730)	–	(22,730)
Total comprehensive loss for the period	(2,797,556)	873,422	(1,924,134)
Basic and diluted earnings per share (cents)	(5.53)		(0.88)

[1] Being unaudited pro forma adjustments to reflect as if the conversion of convertible loans and preference shares had occurred on January 1, 2017 as described in Note 2.

The accompanying notes form an integral part of this unaudited pro forma consolidated financial information.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended June 30, 2018

	Unaudited consolidated statement of cash flows	Unaudited pro forma adjustments[1]	Unaudited pro forma consolidated statement of cash flows
	$	$	$
Operating activities			
Loss before income tax	(2,774,826)	873,422	(1,901,404)
Adjustments for:			
Amortisation expense	13,468	–	13,468
Depreciation expense	210,625	–	210,625
Property, plant and equipment written off	27,996	–	27,996
Share based payment – equity settled (net)	(19,794)	–	(19,794)
Change in fair value of financial liabilities designated as FVTPL	316,328	(316,328)	–
Accretion of interest expense on redeemable convertible preference shares	557,094	(557,094)	–
Operating cash flows before movements in working capital	(1,669,109)	–	(1,669,109)
Trade receivables	158,256	–	158,256
Other receivables	116,680	–	116,680
Inventories	65,350	–	65,350
Trade payables	(614,060)	–	(614,060)
Other payables	223,811	–	223,811
Cash used in operations	(1,719,072)	–	(1,719,072)
Interest paid	–	(131,420)	(131,420)
Net cash used in operating activities	(1,719,072)	(131,420)	(1,850,492)

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
Six months ended June 30, 2018

	Unaudited consolidated statement of cash flows	Unaudited pro forma adjustments[1]	Unaudited pro forma consolidated statement of cash flows
	$	$	$
Investing activities			
Purchase of property, plant and equipment	(14,945)	–	(14,945)
Acquisition of intangible assets	(50,090)	–	(50,090)
Net cash used in investing activities	(65,035)	–	(65,035)
Financing activities			
Issuance of ordinary shares	–	6,839,044	6,839,044
Repurchase of vested employee share options	(3,479)	(3,390)	(6,869)
Net cash (used in) from financing activities	(3,479)	6,835,654	6,832,175
Net (decrease) increase in cash and cash equivalents	(1,787,586)	6,704,234	4,916,648
Cash and cash equivalents at beginning of period	2,454,536	–	2,454,536
Exchange effects on cash and cash equivalents	(22,730)	–	(22,730)
Cash and cash equivalents at end of period	644,220	6,704,234	7,348,454

(1) Being unaudited pro forma adjustments to reflect as if the Series C financing, conversion of convertible loans and preference shares and exercise of Employees' Share Option Scheme options had occurred on January 1, 2017 as described in Note 2.

The accompanying notes form an integral part of this unaudited pro forma consolidated financial information.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
For the year ended December 31, 2017 and six months ended June 30, 2018

1 GENERAL INFORMATION

Biolidics Limited (formerly known as Clearbridge Biomedics Pte. Ltd.) (the "Company") (Registration No. 200913076M) is incorporated in Singapore with its principal place of business and registered office at 81 Science Park Drive, #02-03 The Chadwick, Singapore Science Park 1, Singapore 118257. The financial information is expressed in Singapore dollars.

The principal activity of the Company is that of a research, experimental development and marketing on biotechnology, life and medical science and electronics related industrial design services.

The principal activities of the subsidiaries are disclosed in Note 1 to the audited consolidated financial statements of the Group for the financial years ended December 31, 2015, December 31, 2016 and December 31, 2017 as set out in Appendix A of the Offer Document.

On July 2, 2018, Clearbridge Japan Co., Ltd has been dissolved by way of deregistration.

On September 11, 2018, Clearbridge Biomedics, Inc. has been dissolved by way of deregistration.

On November 1, 2018, the name of the Company was changed from "Clearbridge Biomedics Pte. Ltd." to "Biolidics Pte. Ltd." and the Company was converted into a public company limited by shares. Consequentially, the name of the Company was changed to "Biolidics Limited".

2 SIGNIFICANT EVENTS

Save for the following significant events relating to the Series C financing, conversion of convertible loans and preference shares and exercise of Employees' Share Option Scheme options (the "Significant Events") discussed below, the directors, as at the date of this report, are not aware of other significant acquisitions, disposal of assets and subsidiaries or significant changes made to the capital structure of the Group subsequent to June 30, 2018.

(a) Series C Financing

On June 28, 2018, the Company entered into an investment agreement with its investors. The key terms of the investment agreement are summarised below:

(a) It is intended for all the convertible loans and preference shares to be converted into ordinary shares (collectively the "Conversions");

(b) In connection with the Conversions, the investors have agreed to invest in the Company by subscribing for 115,111 ordinary shares ("Investment Shares") at the price of $57.34 per ordinary share. For each Investment Share subscribed by the investor, the Company shall issue an aggregate of 86,340 warrants ("Warrants") comprising 0.75 Warrants to each investor. The Warrants can be converted to ordinary shares at the conversion ratio of 1:1 at $1.00 per Warrant.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
For the year ended December 31, 2017 and six months ended June 30, 2018

2 SIGNIFICANT EVENTS (cont'd)

(a) Series C Financing (cont'd)

The issuance of Investment Shares, amounting to $6,600,465, was completed on July 19, 2018 and the conversion of Warrants, amounting to $86,340, was completed on September 26, 2018. Please refer to 3.2(i) below for the effect of the pro forma adjustments.

(b) Conversion of Convertible Loans and Preference Shares

The Conversion was completed by the Company on July 6, 2018, with:

(i) the preference shares converted into 438,150 ordinary shares at a conversion ratio of 1:1 at $22,346,449, comprising:

- the liability portion of the redeemable convertible preference shares of $11,726,716 as at December 31, 2017 and $12,283,810 as at June 30, 2018;
- the equity portion of the redeemable convertible preference shares and preference shares of $10,044,065 as at December 31, 2017 and June 30, 2018; and
- the accretion of interest up to date of conversion of $575,668 as at December 31, 2017 and $18,574 as at June 30, 2018; and

(ii) the convertible loan principal amount and interest accrued up to May 31, 2018 of $16,297,240 converted into 284,207 ordinary shares. The interest accrued from June 1, 2018 to July 6, 2018, amounting to $131,420 was repaid to the convertible loan holders in cash. Please refer to 3.2(ii) below for the effect of the pro forma adjustments.

(c) Exercise of Employees' Share Option Scheme ("ESOS") options

Prior to the exercising of the Employees' Share Options Scheme, the Company had performed a share repurchase for 2,316 shares at $6,869 along with a forfeiture by an employee for 1,796 options. The impact of the share repurchase and forfeiture were recognised in the unaudited pro forma consolidated statement of profit or loss and other comprehensive income as an income.

On September 26, 2018, 48,601 ESOS options were exercised and converted to 48,601 ordinary shares. The ESOS was terminated after the exercise. Please refer to 3.2(iii) below for the effect of the pro forma adjustments.

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
For the year ended December 31, 2017 and six months ended June 30, 2018

3 BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

3.1 The unaudited pro forma consolidated financial information of the Group for the financial year ended December 31, 2017 and six months ended June 30, 2018 have been compiled based on:

(a) the audited consolidated financial statements of Biolidics Limited for the financial year ended December 31, 2017 which were prepared by management in accordance with the Financial Reporting Standards in Singapore ("FRSs") and audited by Deloitte & Touche LLP, Singapore in accordance with Singapore Standards on Auditing ("SSAs"). The auditor's report on these consolidated financial statements was not modified; and

(b) the interim condensed unaudited consolidated financial statements of Biolidics Limited for the six months ended June 30, 2018 which were prepared by management in accordance with the Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting* ("SFRS(I) 1-34") and reviewed by Deloitte & Touche LLP, Singapore in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("SSRE 2410"). The auditor's report on these consolidated financial statements was not modified.

3.2 The unaudited pro forma consolidated financial information of the Group for the financial year ended December 31, 2017 and the six months ended June 30, 2018 have been prepared using the same accounting policies and methods of computation in the preparation of the audited consolidated financial statements for the financial years ended December 31, 2015, December 31, 2016 and December 31, 2017 and the interim condensed unaudited consolidated financial statements for the six months ended June 30, 2018 respectively.

The unaudited pro forma consolidated financial information of the Group for the financial year ended December 31, 2017 and six months ended June 30, 2018 are prepared for illustrative purposes only. These are prepared based on certain assumptions and after making certain adjustments to show what:

(a) the unaudited pro forma consolidated financial positions of the Group as at December 31, 2017 and June 30, 2018 would have been if the Significant Events as disclosed in Note 2 had occurred on December 31, 2017 and June 30, 2018 respectively;

(b) the unaudited pro forma consolidated financial performance of the Group for the financial year ended December 31, 2017 and six months ended June 30, 2018 would have been if the Significant Events as disclosed in Note 2 had occurred on January 1, 2017; and

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
For the year ended December 31, 2017 and six months ended June 30, 2018

3 BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP (cont'd)

(c) the unaudited pro forma consolidated cash flows of the Group for the financial year ended December 31, 2017 and six months ended June 30, 2018 would have been if the Significant Events as disclosed in Note 2 had occurred on January 1, 2017.

Based on the assumption described above, the following material adjustments have been made to the audited consolidated financial statements for the financial year ended December 31, 2017 and the interim condensed unaudited consolidated financial statements for the six months ended June 30, 2018, in arriving at the unaudited pro forma consolidated financial information of the Group included herein:

(i) **Series C Financing**

Effect of the pro forma adjustments subsequent to December 31, 2017 and June 30, 2018 and adjusted respectively as appropriate for the following:

Unaudited pro forma consolidated statement of financial position

	Increase	Increase
	As at December 31, 2017	As at June 30, 2018
	$	$
Assets		
Cash and cash equivalents	6,686,805	6,686,805
Equity		
Share capital	6,686,805	6,686,805

Unaudited pro forma consolidated statement of cash flows

	Increase	Increase
	January 1, 2017 to December 31, 2017	January 1, 2018 to June 30, 2018
	$	$
Issuance of ordinary shares	6,686,805	6,686,805

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
For the year ended December 31, 2017 and six months ended June 30, 2018

3 BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP (cont'd)

(ii) **Conversion of Convertible Loans and Preference Shares**

Effect of the pro forma adjustments subsequent to December 31, 2017 and June 30, 2018 and adjusted respectively as appropriate for the following:

Unaudited pro forma consolidated statement of financial position

	Increase (Decrease)	Increase (Decrease)
	As at December 31, 2017	As at June 30, 2018
	$	$
Assets		
Cash and cash equivalents	(131,420)	(131,420)
Liabilities		
Convertible loans – current	(9,794,150)	(10,100,068)
Convertible loans – non-current	(6,322,156)	(6,332,566)
Redeemable convertible preference shares	(11,726,716)	(12,283,810)
Equity		
Share capital	28,599,624	28,599,624
Accumulated losses	(888,022)	(14,600)

Unaudited pro forma consolidated statement of profit and loss and other comprehensive income

	Decrease	Decrease
	January 1, 2017 to December 31, 2017	January 1, 2018 to June 30, 2018
	$	$
Changes in fair value of financial liabilities designated as FVTPL	(1,795,856)	(316,328)
Finance costs	(1,179,357)	(557,094)

Unaudited pro forma consolidated statement of cash flows

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
For the year ended December 31, 2017 and six months ended June 30, 2018

3 BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP (cont'd)

(ii) **Conversion of Convertible Loans and Preference Shares (cont'd)**

	Decrease January 1, 2017 to December 31, 2017	Decrease January 1, 2018 to June 30, 2018
	$	$
Changes in fair value of financial liabilities designated as FVTPL	(1,795,856)	(316,328)
Accretion of interest expense on redeemable preference shares	(1,179,357)	(557,094)
Interest paid	(131,420)	(131,420)

(iii) **Exercise of Employees' Share Option Scheme ("ESOS") options**

Effect of the pro forma adjustments subsequent to December 31, 2017 and June 30, 2018 and adjusted respectively as appropriate for the following:

Unaudited pro forma consolidated statement of financial position

	Increase (Decrease) As at December 31, 2017	Increase (Decrease) As at June 30, 2018
	$	$
Assets		
Cash and cash equivalents	145,370	148,849
Equity		
Share capital	1,033,897	1,033,897
Share option reserve	(997,608)	(974,335)
Accumulated losses	109,081	89,287

BIOLIDICS LIMITED AND ITS SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
For the year ended December 31, 2017 and six months ended June 30, 2018

3 BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP (cont'd)

(iii) **Exercise of Employees' Share Option Scheme ("ESOS") options (cont'd)**

Unaudited pro forma consolidated statement of cash flows

	Increase (Decrease) January 1, 2017 to December 31, 2017	Increase (Decrease) January 1, 2018 to June 30, 2018
	$	$
Issuance of ordinary shares	152,239	152,239
Repurchase of vested employee share options	(6,869)	(3,390)

(iv) **Earnings per share**

Earnings per share for the relevant periods have been calculated based on the loss for the period and pre-invitation shares of 215,000,000 shares which is arrived at after the Significant Events as disclosed in Note 2 above and the sub-division of the shares where 1,268,678 shares were sub-divided into 215,000,000 shares of the Company.

The diluted earnings per share is the same as the basic earnings per share as there were no further potential dilutive shares for the respective periods.

3.3 Our unaudited pro forma consolidated financial information as at December 31, 2017 and June 30, 2018 included in the unaudited Pro Forma Report has been prepared on an illustrative basis to show the impact of the Significant Events.

The unaudited pro forma consolidated financial information of the Group, because of its nature, is not necessarily indicative of the results of the operations, cash flows and financial position that would have been attained had the Significant Events actually occurred earlier. Save as disclosed in Note 2, the management, for the purpose of preparing this set of unaudited pro forma consolidated financial information of the Group, has not considered the effects of other events.

APPENDIX D – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

The discussion below provides information about certain provisions of our Constitution and certain aspects of Singapore company law. This description is only a summary and is qualified by reference to the Companies Act and our Constitution. The instrument that constitutes and defines us is our Constitution.

SUMMARY OF OUR CONSTITUTION

1. Directors

(a) Ability of interested directors to vote

A Director shall not vote in respect of any contract or proposed contract or arrangement or any other proposal in which he has any personal material interest, and shall not be counted in the quorum at the meeting in relation to any resolution on which such Director is debarred from voting.

(b) Remuneration

Fees payable to non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company) as shall from time to time be determined by our Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who performs services outside the ordinary duties of a Director, may be paid extra remuneration by way of salary, commission or otherwise, as our Directors may determine.

The remuneration of a managing Director shall be fixed by our Directors and may be by way of salary or commission or participation in profits or by any or all of these modes but shall not be by a commission on or a percentage of turnover. Our Directors shall have power to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits, to contribute to any scheme or fund or to pay premiums.

There are no specific provisions in our Constitution relating to a Director's power to vote on remuneration (including pension or other benefits) for himself or for any other Director, and whether the quorum at the meeting of our Board of Directors to vote on Directors' remuneration may include the Director whose remuneration is the subject of the vote.

(c) Borrowing

Our Directors may exercise all the powers of our Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

(d) Retirement age limit

There is no retirement age limit for Directors under our Constitution.

(e) Shareholding qualification

There is no shareholding qualification for Directors under our Constitution.

2. Share rights and restrictions

We currently have one class of shares, namely, ordinary shares. Only persons who are registered in our register of members are recognised as our shareholders. In cases where the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for the ordinary shares are recognised as our shareholders.

(a) Dividends and distribution

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. We must pay all dividends out of profits available for distribution. We may capitalise any sum standing to the credit of any of our Company's reserve accounts and apply it to pay dividends, if such dividends are satisfied by the issuance of shares to our shareholders. All dividends are paid *pro rata* among our shareholders in proportion to the amount paid up on each shareholder's ordinary shares, unless the rights attaching to an issuance of any ordinary share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by our Directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by our Directors for the benefit of our Company. Any dividend unclaimed after a period of six years after having been declared may be forfeited and if so shall revert to our Company but our Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

Our Directors may retain any dividends or other monies payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A holder of our ordinary shares is entitled to attend and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds ordinary shares through SGX-ST's book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP at least 72 hours before the general meeting. Except as otherwise

provided in our Constitution, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every shareholder present in person or by proxy shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting, by any shareholder present in person or by proxy or attorney and representing not less than 5.0% of the total voting rights of all shareholders having the right to vote at the meeting or by not less than five shareholders present in person or by proxy or attorney and entitled to vote at the meeting. In the case of a tie vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

3. Changes in capital

We may, by ordinary resolution of our shareholders, increase, consolidate, cancel or sub-divide our share capital or convert our share capital from one currency into another currency. Certain changes to our capital structure, such as the conversion of one class of shares into another class of shares, or the reduction of our share capital, require shareholders to pass a special resolution. General meetings at which ordinary resolutions are proposed to be passed shall be called by at least 14 days' notice in writing, while any general meeting at which a special resolution is proposed to be passed shall be called by at least 21 days' notice in writing. The notice must be given to each of our shareholders who has supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. The reduction of our share capital is further subject to the conditions prescribed by law.

4. Variation of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of our Constitution relating to general meetings of our Company and to the proceedings thereat shall apply with the necessary changes, except that the necessary quorum shall be two persons holding or representing by proxy or attorney at least one-third of the issued shares of that class, and that any holder of shares of the class present in person or by proxy or attorney may demand a poll, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution passed at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

The relevant provision of our Constitution does not impose more significant conditions than the Companies Act in this regard.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Constitution on the rights of our shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

This page has been intentionally left blank.

APPENDIX E – DESCRIPTION OF RELEVANT LAWS AND REGULATIONS

We are subject to the relevant laws and regulations of the countries in which we operate. The following is a summary of the main laws and regulations in Singapore that are relevant to our business (other than those generally applicable to companies operating in Singapore) as of the Latest Practicable Date. As of the Latest Practicable Date, we are in compliance with all relevant laws and regulations that would materially affect our business operations.

SINGAPORE

Workplace Safety and Health Act, Chapter 354A of Singapore (the "Workplace Safety and Health Act") and the regulations thereunder

The Workplace Safety and Health Act and the regulations thereunder govern the safety, health and welfare of persons at work in workplaces. Among other things, the Workplace Safety and Health Act imposes a duty on employers to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of their employees at work. These measures include the following:

- providing and maintaining for those persons a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work;
- ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by those persons;
- ensuring that those persons are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace, or near their workplace and under the control of the employer;
- developing and implementing procedures for dealing with emergencies that may arise while those persons are at work; and
- ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

Additional duties apply to employers under the Workplace Safety and Health (General Provisions) Regulations. For example, where any person at work in any workplace carries out any process, operation or work involving exposure to any infectious agents or biohazardous material which may constitute a risk to his health, the employer of such person has a duty to take effective measures to protect that person from their harmful effects.

Environmental Public Health Act, Chapter 95 of Singapore (the "Environmental Public Health Act") and the regulations thereunder

The Environmental Public Health Act and the regulations thereunder govern the matters relating to environmental public health. In particular, the Environmental Public Health (Toxic Industrial Waste) Regulations require any person whose act or process produces toxic industrial waste or whose act first causes toxic industrial waste to become subject to regulation, or the owner or the person having the charge, management or control of a source of toxic industrial waste, to not, on any premises which are used for the purposes of an undertaking carried on by him, keep or use, or cause or permit to be kept or used, toxic industrial waste unless there are on-site disposal facilities established with the permission of the Director-General of Public Health or a toxic industrial waste collector has been engaged to dispose of the waste.

Work Injury Compensation Act, Chapter 354 of Singapore (the "Work Injury Compensation Act")

The Work Injury Compensation Act applies to any person (with the exception of the class of persons specified in the Fourth Schedule to the Work Injury Compensation Act) who has entered into or works under a contract of service or apprenticeship with an employer, whether: (a) by way of manual labour or otherwise; (b) the contract is express or implied or is oral or in writing; and (c) the remuneration is calculated by time or by work done.

The Work Injury Compensation Act provides that if in any employment personal injury by accident arising out of and in the course of the employment is caused to such person, his employer shall be liable to pay compensation in accordance with the provisions of the Work Injury Compensation Act. The amount of such compensation shall be computed in accordance with the provisions of the Third Schedule to the Work Injury Compensation Act.

Employment of Foreign Manpower Act, Chapter 91A of Singapore (the "Employment of Foreign Manpower Act")

The Employment of Foreign Manpower Act governs the employment of foreign employees in Singapore. Under Section 5(1) of the Employment of Foreign Manpower Act, no person shall employ a foreign employee unless the foreign employee has a valid work pass issued by the Singapore Ministry of Manpower. Any person who contravenes Section 5(1) of the Employment of Foreign Manpower Act shall be guilty of an offence and shall (a) be liable on conviction to a fine of not less than S$5,000 and not more than S$30,000 or to imprisonment for a term not exceeding 12 months or to both; and (b) on a second or subsequent conviction, (i) in the case of an individual, be punished with a fine of not less than S$10,000 and not more than S$30,000 and with imprisonment for a term of not less than one month and not more than 12 months, or (ii) in any other case, be punished with a fine of not less than S$20,000 and not more than S$60,000.

Employment Act, Chapter 91 of Singapore (the "Employment Act")

The Employment Act generally applies to persons who have entered into or work under a contract of service with an employer, but does not apply to, among others, any person employed in a managerial or an executive position, subject to Section 2(2) of the Employment Act. Under Section 2(2) of the Employment Act, any person who is employed in a managerial or an executive position and is in receipt of a salary not exceeding S$4,500 a month (excluding overtime payments, bonus payments, annual wage supplements, productivity incentive payments and any allowance however described), or such other amount as may be prescribed in substitution by the Minister of Manpower, shall be regarded as an employee for the purposes of the Employment Act except the provisions in Part IV relating to rest days, hours of work and other conditions of service.

The Employment Act sets out certain basic terms and conditions of employment, including in relation to notice of termination, payment of salary, rest days, hours of work, maternity protection and benefits and holiday and sick leave entitlements. Section 8 of the Employment Act provides that every term of a contract of service which provides a condition of service which is less favourable to an employee than any of the conditions of service prescribed by the Employment Act shall be illegal, null and void to the extent that it is so less favourable.

Part IV of the Employment Act relating to rest days, hours of work and other conditions of service applies to (a) workmen who are in receipt of a salary not exceeding S$4,500 a month (excluding overtime payments, bonus payments, annual wage supplements, productivity incentive payments and any allowance however described) or such other amount as may be prescribed by the Minister

of Manpower, and (b) employees (other than workmen) who are in receipt of a salary not exceeding S$2,500 a month (excluding overtime payments, bonus payments, annual wage supplements, productivity incentive payments and any allowance however described) or such other amount as may be prescribed by the Minister of Manpower.

Personal Data Protection Act 2012 (No. 26 of 2012) (the "Personal Data Protection Act") and the regulations thereunder

The Personal Data Protection Act governs the collection, use and disclosure of personal data by organisations. For the purposes of the Personal Data Protection Act, "personal data" means data, whether true or not, about an individual who can be identified from that data, or from that data and other information to which the organisation has or is likely to have access.

Under the Personal Data Protection Act, the obligations of an organisation in relation to the collection, use and disclosure of personal data include the following:

- not to collect, use or disclose personal data about an individual unless the individual gives, or is deemed to have given, his consent under the Personal Data Protection Act to the collection, use or disclosure, or such collection, use or disclosure without the consent of the individual is required or authorised under the Personal Data Protection Act or any other written law;

- to collect, use or disclose personal data about an individual only for purposes that a reasonable person would consider appropriate in the circumstances and that the individual has been informed of, if applicable;

- to inform an individual of the purposes for the collection, use or disclosure of his personal data, on or before collecting such personal data, except if the individual is deemed to have consented to the collection, use or disclosure in accordance with the provisions of the Personal Data Protection Act or the organisation collects, uses or discloses the personal data without the consent of the individual in accordance with the provisions of the Personal Data Protection Act;

- on request of an individual, to, as soon as reasonably possible, provide the individual with personal data about the individual that is in the possession or under the control of the organisation, and information about the ways in which such personal data has been or may have been used or disclosed by the organisation within a year before the date of the request, unless certain specified exceptions apply;

- on request of an individual, to, as soon as practicable, correct an error or omission in the personal data about the individual that is in the possession or under the control of the organisation, unless certain specified exceptions apply;

- to make a reasonable effort to ensure that personal data collected by or on behalf of the organisation is accurate and complete, if the personal data is likely to be used by the organisation to make a decision that affects the individual to whom the personal data relates or is likely to be disclosed by the organisation to another organisation;

- to protect personal data in the possession or under the control of the organisation by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks;

- to cease to retain documents containing personal data, or remove the means by which the personal data can be associated with particular individuals, as soon as it is reasonable to assume that the purpose for which that personal data was collected is no longer being served by retention of the personal data and retention is no longer necessary for legal or business purposes;

- not to transfer any personal data to a country or territory outside Singapore except in accordance with the requirements prescribed under the Personal Data Protection Act; and

- to develop and implement policies and practices that are necessary for the organisation to meet the obligations of the organisation under the Personal Data Protection Act, develop a process to receive and respond to complaints that may arise with respect to the application of the Personal Data Protection Act, communicate to its staff information about the organisation's policies and practices referred to in the foregoing, and make information available on request about the policies and practices and complaint process referred to in the foregoing.

An organisation that fails to comply with the provisions of the Personal Data Protection Act may be directed by the Personal Data Protection Commission to stop collecting, using or disclosing personal data in contravention of the Personal Data Protection Act, destroy personal data collected in contravention of the Personal Data Protection Act, provide access to or correct personal data and/or pay a financial penalty.

APPENDIX F – RULES OF THE BIOLIDICS PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

This Plan shall be called the "Biolidics Performance Share Plan".

2. DEFINITIONS

2.1 In this Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Administration Committee"	The Remuneration Committee, or such other committee comprising Directors appointed by our Board to administer the Plan
"Adoption Date"	The date on which the Plan is adopted by our Company in general meeting
"associate"	Has the meaning ascribed to it in the Rules of Catalist
"Auditors"	The auditors for the time being of our Company
"Award"	A contingent award of Shares granted under Rule 5
"Award Letter"	A letter in such form as the Administration Committee shall approve, confirming an Award granted to a Participant by the Administration Committee
"Board"	The board of directors of our Company
"Catalist"	The sponsor-supervised listing platform of SGX-ST
"CDP"	The Central Depository (Pte) Limited
"Companies Act"	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"Company"	Biolidics Limited, a public company incorporated in Singapore with limited liability
"Constitution"	The constitution of our Company, as amended or modified from time to time
"control"	The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of a company

"Controlling Shareholder"	A person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in a company, unless SGX-ST determines that such person is not a controlling shareholder; or (b) in fact exercises control over a company
"Date of Grant"	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
"Director"	A person holding office as a director for the time being of our Company
"Employee"	An employee (including an Executive Director) of our Company selected by the Administration Committee to participate in the Plan
"Executive Director"	A director for the time being of our Company, holding office in an executive capacity in our Company
"Market Day"	A day on which SGX-ST is open for trading in securities
"Market Value"	In relation to a Share, on any day: (a) the average price of a Share on SGX-ST (or such other stock exchange on which our Shares may for the time being be listed or quoted) over the five (5) immediately preceding Market Days on which our Shares are transacted on SGX-ST (or such other stock exchange on which our Shares may for the time being be listed or quoted); or (b) if the Administration Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Administration Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable
"Non-Executive Director"	A director (other than an Executive Director) from time to time of our Company
"Participant"	The holder of an Award
"Performance-related Award"	An Award in relation to which a Performance Condition is specified

"Performance Condition"	In relation to a Performance-related Award, the condition specified on the Date of Grant in relation to that Award
"Performance Period"	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Administration Committee on the Date of the Grant, during which the Performance Condition is to be satisfied
"Plan"	The Biolidics Performance Share Plan, as the same may be modified or altered from time to time
"Record Date"	The date as of the close of business (or such other time as may have been prescribed by our Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
"Release"	In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7, and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and "Released" shall be construed accordingly
"Released Award"	An award in respect of which the Vesting Period relating to that Award has ended and which has been released in accordance with Rule 7
"Rules"	Rules of the Plan
"Rules of Catalist"	Section B of the listing manual of SGX-ST dealing with the rules of Catalist, as from time to time amended, modified or supplemented
"Securities Account"	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"Securities and Futures Act"	The Securities and Futures Act, Chapter 289 of Singapore as amended, modified or supplemented from time to time
"SGX-ST"	Singapore Exchange Securities Trading Limited

"Shareholders"	Registered holders of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
"Shares"	Ordinary shares in the capital of our Company
"Trading Day"	A day on which the Shares are traded on SGX-ST
"Vesting"	In relation to the Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award, and "Vest" and "Vested" shall be construed accordingly
"Vesting Date"	The date on which Shares which are the subject of a Released Award shall be vested to a Participant
"Vesting Period"	In relation to an Award, a period or periods, the duration of which is to be determined by the Administration Committee at the Date of Grant
"S$"	Singapore dollar
"%"	Per centum or percentage

2.2 The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act.

2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

2.4 Any reference to a time of a day in the Plan is a reference to Singapore time.

2.5 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Plan shall have the meaning assigned to it under the Companies Act.

3. OBJECTIVES OF THE PLAN

3.1 The Plan is a performance incentive scheme, which is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Company and to give recognition to outstanding Employees who have contributed to the growth of the Company.

3.2 The objectives of the Plan are as follows:

(a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Company and promoting organisational commitment, dedication and loyalty of Participants towards the Company;

(b) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Company;

(c) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and

(d) make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long-term growth and profitability of the Company.

4. ELIGIBILITY OF PARTICIPANTS

4.1 Any person shall be eligible to participate in the Plan at the absolute discretion of the Administration Committee, provided that at the Date of Grant such person must:

(a) be confirmed in his/her employment with the Company;

(b) have attained the age of 21 years; and

(c) not be an undischarged bankrupt and must not have entered into a composition with his/her creditors.

4.2 Non-Executive Directors (including independent Directors) who satisfy the eligibility requirements in Rule 4.1(b) and (c) shall also be eligible to participate in the Plan.

4.3 Controlling Shareholders and their associates shall not be eligible to participate in the Plan.

4.4 The eligibility of Participants to participate in the Plan, the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan and the Vesting Period shall be determined at the absolute discretion of the Administration Committee, which shall take into account:

(a) the financial performance of the Company;

(b) in respect of a Participant, being an Employee, criteria such as his rank, job performance, potential for future development and his contribution to the success and development of the Company; and

(c) in respect of a Participant, being a Non-Executive Director, criteria such as his contribution to the success and development of the Company.

In addition, for Performance-related Awards, the extent of effort required to achieve the Performance Condition within the Performance Period shall also be considered.

4.5 Subject to the Companies Act and any requirement of SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Administration Committee, which would be exercised judiciously.

5. GRANT OF AWARDS

5.1 There are no fixed periods for the grant of Awards. Subject as provided in Rule 8, the Administration Committee may grant Awards at any time during the period when the Plan is in force, provided that no Awards shall be granted during the period commencing two weeks before the announcement of our Company's financial statements for each of the first three quarters of our financial year and one month before the announcement of our Company's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of our Company's half year and full year financial statements (if not required to announce quarterly financial statements).

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Awards may only be granted on or after the second Market Day from the date on which such announcement is released.

5.2 The Administration Committee shall decide, in its absolute discretion, in relation to each Award:

(a) the Participant;

(b) the Date of Grant;

(c) the number of Shares which are the subject of the Award;

(d) the prescribed Vesting Period(s);

(e) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period; and

(f) in the case of a Performance-related Award, the Performance Period and the Performance Condition.

5.3 The Administration Committee may amend or waive the Vesting Period(s) and, in the case of a Performance related Award, the Performance Period and/or the Performance Condition in respect of any Award:

(a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or

(b) in the case of a Performance-related Award, if anything happens which causes the Administration Committee to conclude that:

(i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or

(ii) the Performance Condition should be waived as the Participant has achieved a level of performance that the Administration Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled, and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such change or waiver).

5.4 As soon as reasonably practicable after making an Award, the Administration Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

(a) the Date of Grant;

(b) the number of Shares which are the subject of the Award;

(c) the prescribed Vesting Period(s);

(d) the extent to which Shares which are the subject of that Award shall be released at the end of each prescribed Vesting Period; and

(e) in the case of a Performance-related Award, the Performance Period and the Performance Condition.

5.5 Participants are not required to pay for the grant of Awards.

5.6 An Award or Released Award shall be personal to the Participant to whom it is granted and no Award or Released Award or any rights thereunder shall be transferred, charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award, to the extent not yet Released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

(a) a Participant, being an Employee, ceasing for any reason whatsoever, to be in the employment of the Company;

(b) a Participant, being a Non-Executive Director, ceasing to be a director of the Company for any reason whatsoever;

(c) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award;

(d) ill health, injury, disability or death of a Participant;

(e) a Participant commits any breach of any of the terms of his Award;

(f) misconduct on the part of a Participant as determined by the Company in its discretion;

(g) a take-over, winding-up or reconstruction of the Company; and/or

(h) any other event approved by the Administration Committee.

For the purpose of Rule 6.1(a) above, an Employee shall be deemed to have ceased to be in the employment of the Company on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Employee has (with the consent of the Company) withdrawn such notice.

For the purpose of Rule 6.1(b) above, a Participant shall be deemed to have ceased to be a Non-Executive Director as at the date the notice of resignation of or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 The Administration Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rules 6.1 and 7.1. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1.

6.3 Without prejudice to the provisions of Rules 5.3 and 7.1, to the extent of an Award yet to be Released, if any of the following occurs:

(a) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;

(b) a scheme of an arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act;

(c) an order for the compulsory winding-up of the Company is made; or

(d) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Administration Committee may consider, at its discretion, whether or not to Release such Award. If the Administration Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Administration Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where such Award is Released, the Administration Committee will, as soon as practicable after such Release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7. If the Administration Committee so determines, the Release may be satisfied in cash as provided in Rule 7.

7. RELEASE OF AWARDS

7.1 (a) In relation to each Performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Administration Committee shall review the Performance Condition specified in respect of that Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied. If the Administration Committee determines, in its sole discretion, that the Performance Condition has not been satisfied or if the relevant Participant (being an Employee) has not continued to be an Employee from the Date of Grant up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.1(a)) shall be of no effect.

The Administration Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and, in making any such determination, the Administration Committee shall have the right to make computational adjustments to the audited results of the Company, as the case may be, to take into account such factors as the Administration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

Subject to:

(i) (in relation to a Performance-related Award) the Administration Committee having determined that the Performance Condition has been satisfied;

(ii) the relevant Participant (being an Employee) having continued to be an Employee from the Date of Grant up to the end of the relevant Vesting Period;

(iii) the Administration Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;

(iv) such consents (including any approvals required by SGX-ST) as may be necessary;

(v) compliance with the terms of the Award, the Plan and the Constitution;

(vi) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and

(vii) where Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on SGX-ST,

upon the expiry of each Vesting Period in relation to an Award, the Company shall Release to the relevant Participant the Shares to which his Award relates on the Vesting Date.

(b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the

Release of such Award in accordance with Rule 7.1(a) and, on the Vesting Date, the Administration Committee will procure the allotment or transfer to each Participant of the number of such Shares.

(c) Where Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to SGX-ST for the listing and quotation of such Shares.

7.2 Shares which are allotted or transferred on the Release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.

7.3 Shares allotted and issued, and existing Shares procured by the Company on behalf of the Participants for transfer, upon the Release of an Award shall:

(a) be subject to all the provisions of the Constitution; and

(b) rank for any dividend, right, allotment or other distribution on the Record Date of which is on or after the relevant Vesting Date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.

The Administration Committee may determine to make a Release, wholly or partly, in the form of cash rather than Shares which would otherwise have been allotted and issued to the Participant upon the Release of an Award on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate Market Value of such Shares on such Vesting Date.

8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the Plan on any date, when added to the number of Shares issued and issuable and/or transferred and transferrable in respect of all Awards granted under the Plan, and all options and awards granted under any schemes implemented by the Company and for the time being in force, shall not exceed 15.0% of the number of all issued Shares (excluding treasury shares and subsidiary holdings (each as defined in the Rules of Catalist)) on the day preceding that date.

9. ADJUSTMENT EVENTS

9.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, sub-division, consolidation, distribution or otherwise) shall take place, then:

(a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto; and/or

(b) the class and/or number of Shares in respect of which Awards may be granted under the Plan,

may, at the option of the Administration Committee, be adjusted in such manner as the Administration Committee may determine to be appropriate, provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

9.2 Unless the Administration Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4 Upon any adjustment being made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award and the date on which such adjustment shall take effect.

9.5 Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the Plan, the Administration Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

10. ADMINISTRATION OF THE PLAN

10.1 The Plan shall be administered by the Administration Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Administration Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by him.

10.2 The Administration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Administration Committee.

10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Administration Committee any liability whatsoever in connection with:

(a) the lapsing of any Awards pursuant to any provision of the Plan;

(b) the failure or refusal by the Administration Committee to exercise, or the exercise by the Administration Committee of, any discretion under the Plan; and/or

(c) any decision or determination of the Administration Committee made pursuant to any provision of the Plan.

10.4 Any decision or determination of the Administration Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive. The Administration Committee shall not be required to furnish any reasons for any decision or determination made by it.

11. NOTICES

11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address (including an electronic mail address) or facsimile number, and marked for the attention of the Administration Committee, as may be notified by the Company to the Participant in writing.

11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and a Participant shall be given or made by the Administration Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to a Participant by hand or sent to a Participant at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number provided by the Participant to the Company.

11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by the Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. MODIFICATIONS TO THE PLAN

12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Administration Committee, except that:

(a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the prior consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would thereby become entitled to not less than 75.0% of the number of all the Shares which would fall to be vested upon the Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;

(b) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of the Shareholders in general meeting; and

(c) no modification or alteration shall be made without the prior approval of SGX-ST and such other regulatory authorities as may be necessary.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Administration Committee may at any time by resolution (and without other formality, save for the prior approval of SGX-ST) amend or alter the Plan in any way to the extent necessary to cause the Plan to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

14. DURATION OF THE PLAN

14.1 The Plan shall continue to be in force at the discretion of the Administration Committee for a maximum period of 10 years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

14.2 The Plan may be terminated at any time by the Administration Committee, at the discretion of the Administration Committee, or by ordinary resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Company hereunder.

14.3 The termination of the Plan shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

15. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. COSTS AND EXPENSES OF THE PLAN

16.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the allotment and issuance of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) or, as the case may be, share transfer form(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.

16.2 Except for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issuance, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Administration Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of the Shares on SGX-ST in accordance with Rule 7.1(c).

18. ANNUAL REPORT DISCLOSURE

18.1 The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

(a) the names of the members of the Administration Committee;

(b) in respect of the following Participants, the information in the table set out below:

(i) Participants who are Directors;

(ii) Participants who are Controlling Shareholders and their associates; and

(iii) Participants, other than those in (i) and (ii) above, who receive Awards comprising Shares representing 5.0% or more of the total number of Shares available under the Plan.

Name of Participant	Aggregate number of Shares comprised in Awards which have been granted during the financial year under review	Number of new Shares allotted and existing Shares purchased for delivery pursuant to Release of Awards under the Plan during the financial year under review and terms of such Awards	Number of new Shares allotted and existing Shares purchased for delivery pursuant to Release of Awards under the Plan since commencement of the Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as of the end of the financial year under review

(c) in relation to the Plan, the following particulars:

(i) the aggregate number of Shares comprised in Awards granted since the commencement of the Plan to the end of the financial year under review;

(ii) the aggregate number of Shares comprised in Awards which have Vested during the financial year under review and in respect of such Awards, the proportion of:

(1) Shares issued; and

(2) where applicable, existing Shares purchased, including the range of prices at which such Shares have been purchased, upon the Vesting of Released Awards; and

(iii) the aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review; and

(d) such other information as may be required by the Rules of Catalist or the Companies Act.

18.2 If any of the disclosures in Rule 18.1 is not applicable, an appropriate negative statement will be included in the annual report.

19. ABSTENTION FROM VOTING

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Plan, including relating to participation in the Plan and grant of Awards to the Participants. Participants may act as proxies of Shareholders of the Company in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Administration Committee shall not under any circumstances be held liable for any costs, losses, expenses liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the Plan, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or to apply for or procure the listing of new Shares on SGX-ST in accordance with Rule 7.1(c) (and any other stock exchange on which the Shares are quoted or listed).

21. DISPUTES

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the Plan) shall be referred to the Administration Committee and its decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Plan or any Rule, regulation, procedure thereunder or as to any rights under the Plan).

22. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by being granted Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

This page has been intentionally left blank.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for the Placement Shares at the Issue Price for each Placement Share, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 100 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF, SUBJECT TO A MINIMUM OF 1,000 PLACEMENT SHARES. YOUR APPLICATION FOR ANY OTHER NUMBER OF PLACEMENT SHARES WILL BE REJECTED.**

2. Your application for the Placement Shares may only be made by way of the Application Form or other such forms of application as the Sponsor and Issue Manager and Placement Agent may deem appropriate.

   YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.

3. You (not being an approved nominee company) are allowed to submit only one application in your own name for the Placement Shares. Any separate application by you for the Placement Shares shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Sponsor and Issue Manager and Placement Agent, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.

   If you, not being an approved nominee company, have submitted an application for the Placement Shares in your own name, you should not submit any other application for the Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Sponsor and Issue Manager and Placement Agent.

   Joint and multiple applications for the Placement Shares may be rejected at the discretion of our Company and the Sponsor and Issue Manager and Placement Agent. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary, may be rejected at the discretion of our Company and the Sponsor and Issue Manager and Placement Agent.

   By submitting an application for the Placement Shares, you declare that you do not possess more than one individual direct Securities Account with CDP.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Form) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.

5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.

6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies and licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.

8. If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondences from CDP will be sent to your address last registered with CDP.

9. Our Company, in consultation with the Sponsor and Issue Manager and Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance or a remittance which is not honoured upon the first presentation.

   Our Company and the Sponsor and Issue Manager and Placement Agent further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Form or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

   Without prejudice to the rights of our Company, the Sponsor and Issue Manager and Placement Agent, as agents of our Company, have been authorised to accept, for and on behalf of our Company such other forms of application as the Sponsor and Issue Manager and Placement Agent deem appropriate.

10. Our Company, in consultation with the Sponsor and Issue Manager and Placement Agent, reserves the right to reject or accept, in whole or in part, or to scale down any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company, will be entertained. In deciding the basis of allotment, which shall be at our discretion, in consultation with the Sponsor and Issue Manager and Placement Agent, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

11. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company and the Sponsor and Issue Manager and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee, any instrument of transfer and/or other documents required for the issue or transfer of the Placement Shares allotted to you.

12. Any reference to "you" or the "applicant" in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Placement Shares through the Placement Agent or its designated sub-placement agent by way of an Application Form or such other forms of application as the Sponsor and Issue Manager and Placement Agent deem appropriate.

13. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:

    (a) irrevocably offer, agree and undertake to subscribe for the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and our Constitution;

    (b) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Sponsor and Issue Manager and Placement Agent in determining whether to accept your application and/or whether to allot any Placement Shares to you;

    (c) agree that the aggregate Issue Price for the Placement Shares applied for is due and payable to our Company upon application; and

    (d) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Sponsor and Issue Manager and Placement Agent will infringe any such laws as a result of the acceptance of your application.

14. Our acceptance of applications will be conditional upon, among others, our Company and the Sponsor and Issue Manager and Placement Agent, being satisfied that:

    (a) permission has been granted by SGX-ST to deal in, and for the listing and quotation of, all our existing Shares, the Placement Shares and the Award Shares on Catalist;

    (b) the Management Agreement and the Placement Agreement referred to in the section titled "Plan of Distribution – The Placement – Management and Placement Arrangements" of this Offer Document have become unconditional and have not been terminated; and

    (c) the Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any competent authority, has not served a stop order ("Stop Order") which directs that no further shares to which this Offer Document relates be allotted or issued.

15. In the event that a Stop Order in respect of the Placement Shares is served by the Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority and applications to subscribe for the Placement Shares have been made prior to the Stop Order, and:

    (a) in the case where the Placement Shares have not been issued, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and our Company shall refund (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or

    (b) where the Placement Shares have been issued, the issuance of the Placement Shares shall be deemed to be void and we shall, within 14 days from the date of the Stop Order, pay to you (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom), and you shall not have any claim against us or the Sponsor and Issue Manager and Placement Agent.

    This shall not apply where only an interim Stop Order has been served.

    In the event that an interim Stop Order in respect of the Placement Shares is served by the Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority, no Placement Shares shall be issued during the time when the interim Stop Order is in force.

    The Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and listed for quotation on a securities exchange and trading in the Placement Shares has commenced.

    In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at SGX-ST's website (http://www.sgx.com) and in a major English language newspaper in Singapore.

    We will not hold any application in reserve.

16. We will not allot Shares on the basis of this Offer Document later than six months after the date of registration of this Offer Document by SGX-ST acting as agent on behalf of the Authority.

17. You hereby consent to the collection, use and disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number, CPF Investment Account number (if applicable), share application amount and other personal data ("Personal Data") to the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd ("SCCS"), SGX-ST, CDP, our Company, the Sponsor and Issue Manager and Placement Agent (collectively, the "Relevant Persons"), for the purpose of facilitating your application for the Placement Shares, (i) consent that the Relevant Persons may disclose or share Personal Data with third parties who provide necessary services to the Relevant Persons, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transaction, and consultants and professional advisers, (ii) consent that the Relevant Persons may transfer your Personal Data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Placement Shares, (iii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, such disclosure is in compliance with the applicable laws and you have obtained the consent of the beneficial owners to paragraphs (i) and (ii) and that any disclosure of Personal Data to our Company is in compliance with applicable law, (iv) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if our Company or the Sponsor and Issue Manager and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (v) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties (collectively, the "Personal Data Privacy Terms"). If any Personal Data is transferred to a country or territory outside of Singapore, the Relevant Persons will ensure that the recipient of the Personal Data provides a standard of protection that is comparable to the protection which Personal Data enjoys under the laws of Singapore, and where these countries or territories do not have personal data protection laws which are comparable to that in Singapore, the Relevant Persons will enter into legally enforceable agreements with the recipients to ensure that they protect the Personal Data to the same standard as required under the laws of Singapore.

18. In the event that our Company lodges a supplementary or replacement offer document with SGX-ST acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

    Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:

    (a) where the Placement Shares have not been issued, we shall either:

        (i) (A) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application, and (B) take all reasonable steps

to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

(ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application; or

(iii) (A) treat your application as withdrawn and cancelled in which case your application shall be deemed to have been withdrawn and cancelled, and (B) within seven days from the date of lodgement of the supplementary or replacement offer document, refund all monies you have paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk and you shall not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent; or

(b) where the Placement Shares have been issued, we shall either:

(i) (A) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in, and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

(ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give you the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in; or

(iii) (A) treat the issue of the Placement Shares as void in which case the issue shall be deemed void and (B) we shall within seven days from the date of lodgement of the supplementary or replacement offer document, refund all monies you have paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk and you shall not have any right or claim against us or the Sponsor and Issue Manager and Placement Agent.

An applicant who wishes to exercise his option under paragraph 18(a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven days from the receipt of such notification, pay to him all monies paid by him, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us or the Sponsor and Issue Manager and Placement Agent.

An applicant who wishes to exercise his option under paragraph 18(b)(i) or (ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to us, whereupon we shall, within seven days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Placement Shares shall be deemed to be void, and he will not have any claim against us or the Sponsor and Issue Manager and Placement Agent.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement offer document, including instructions on how you can exercise the option to withdraw, may be found in such supplementary or replacement offer document.

19. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted to you pursuant to your application, to us, the Sponsor and Issue Manager and Placement Agent and any other parties so authorised by the foregoing persons.

20. All payments in respect of any application for the Placement Shares and any refund, shall be made in S$.

21. Additional terms and conditions for applications by way of Application Form are set out in the section titled "Additional Terms and Conditions for Applications using Application Form" below.

22. No person in any jurisdiction outside Singapore receiving this Offer Document or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any Placement Shares unless such offer or invitation could lawfully be made without compliance with any regulatory requirements in those jurisdictions.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORM

You shall make an application by way of an Application Form on and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the "**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**" section in Appendix G to this Offer Document as well as our Constitution.

1. Your application for the Placement Shares must be made using the Application Form for Placement Shares accompanying and forming part of this Offer Document, or such other forms of application as the Sponsor and Issue Manager and Placement Agent may deem appropriate. **ONLY ONE APPLICATION** should be enclosed in each envelope.

   We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company, in consultation with the Sponsor and Issue Manager and Placement Agent, reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly**

completed or which are accompanied by improperly drawn up or improper forms of remittances or remittances which are not honoured upon the first presentation.

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS.**

3. All spaces in the Application Form, except those under the heading "**FOR OFFICIAL USE ONLY**", must be completed and the words "**NOT APPLICABLE**" or "**N.A.**" should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names as they appear in your identity card (if applicants have such identification documents) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your constitution or equivalent constitutive documents must be lodged with the Share Registrar and Share Transfer Office. Our Company and the Sponsor and Issue Manager and Placement Agent reserve the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.

   (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

   (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

6. You, whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted, will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations.

   If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of the Placement Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**BIOLIDICS SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", with your name, CDP Securities Account Number and address written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted**. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. We reserve the right to reject any application which is accompanied by combined Banker's Draft or Cashier's Order for different CDP Securities Accounts. No acknowledgement or receipt will be issued by our Company or the Sponsor and Issue Manager and Placement Agent for applications and application monies received.

8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Management Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post at your own risk within five Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of the Stop Order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.

9. Capitalised terms used in the Application Form and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.

10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Sponsor and Issue Manager and Placement Agent and/or any other party involved in the Placement, and if, in any event, our Company and/or the Sponsor and Issue Manager and Placement Agent do not receive your Application Form, you shall have no claim whatsoever against us, the Sponsor and Issue Manager and Placement Agent and/or any party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.

11. By completing and delivering the Application Form, you agree that:

    (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 17 December 2018** or such other time or date as our Directors may, in consultation with the Sponsor and Issue Manager and Placement Agent, in their absolute discretion, decide:

        (i) your application is irrevocable; and

        (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;

(b) neither our Company, the Sponsor and Issue Manager and Placement Agent nor any other party involved in the Placement will be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;

(c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;

(e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(f) in making your application, reliance is placed solely on the information contained in this Offer Document and none of our Company, the Sponsor and Issue Manager and Placement Agent nor any other person involved in the Placement shall have any liability for any information not so contained;

(g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and

(h) you irrevocably agree and undertake to subscribe for the number of the Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted to you in respect of your application. In the event that our Company, the Sponsor and Issue Manager and Placement Agent decide to allot a smaller number of the Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final.

12. By completing and delivering the Application Form, you declare that you do not possess more than one individual direct Securities Account with CDP.

Applications for Placement Shares

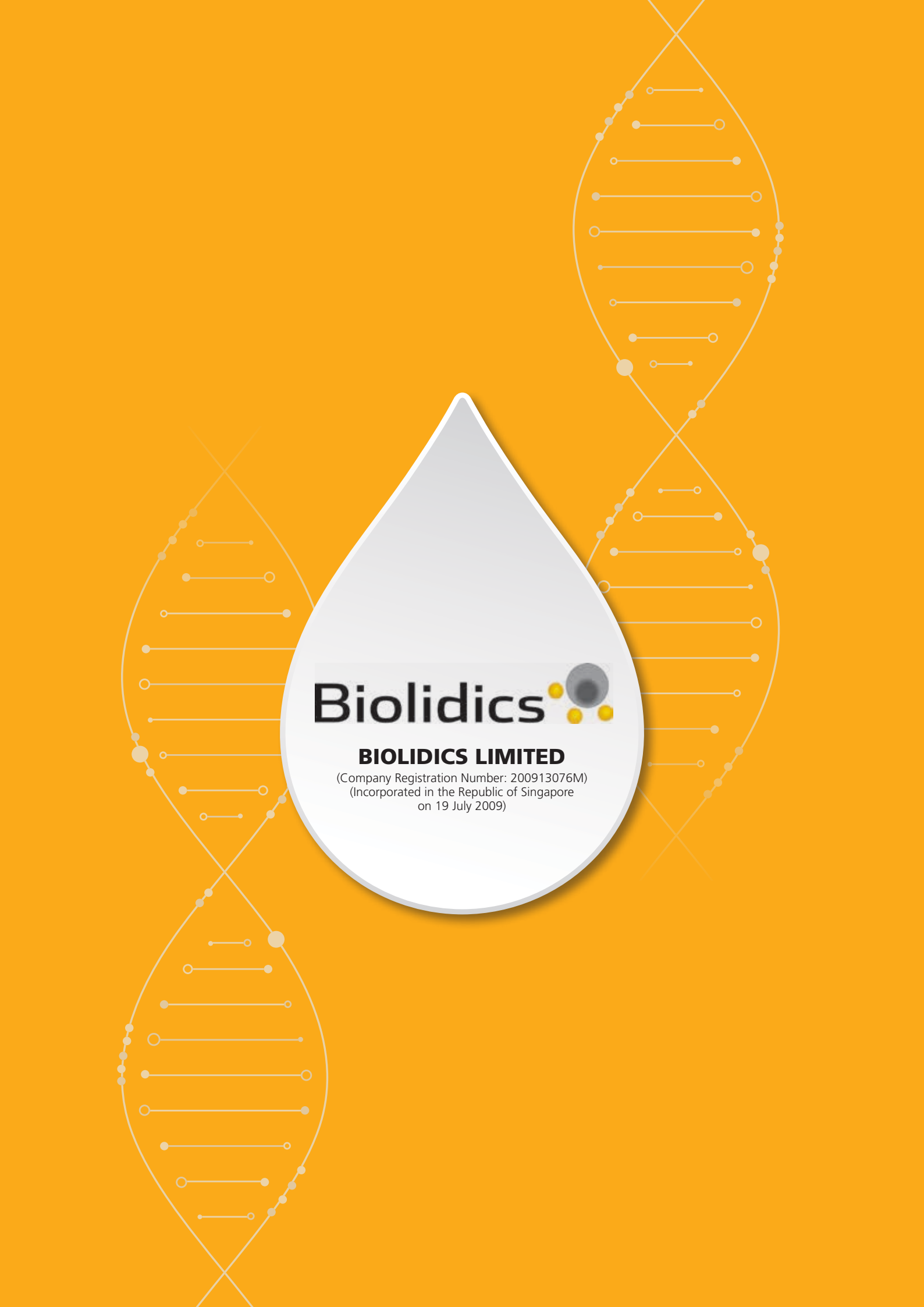
1. Your application for the Placement Shares **MUST** be made using the Application Form or such other forms of application as the Sponsor and Issue Manager and Placement Agent may deem appropriate. **ONLY ONE APPLICATION** should be enclosed in each envelope.

2. The completed and signed Application Form and your remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk** to **BIOLIDICS LIMITED C/O TRICOR BARBINDER SHARE**

REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898, to arrive by **12.00 noon on 17 December 2018 or such other time as our Company may, in consultation with the Sponsor and Issue Manager and Placement Agent, in their absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn up or improper forms of remittances or remittances which are not honoured upon the first presentation are liable to be rejected.

This page has been intentionally left blank.



BIOLIDICS LIMITED

(Company Registration Number: 200913076M)
(Incorporated in the Republic of Singapore
on 19 July 2009)