

# Biolidics

ANNUAL REPORT 2020



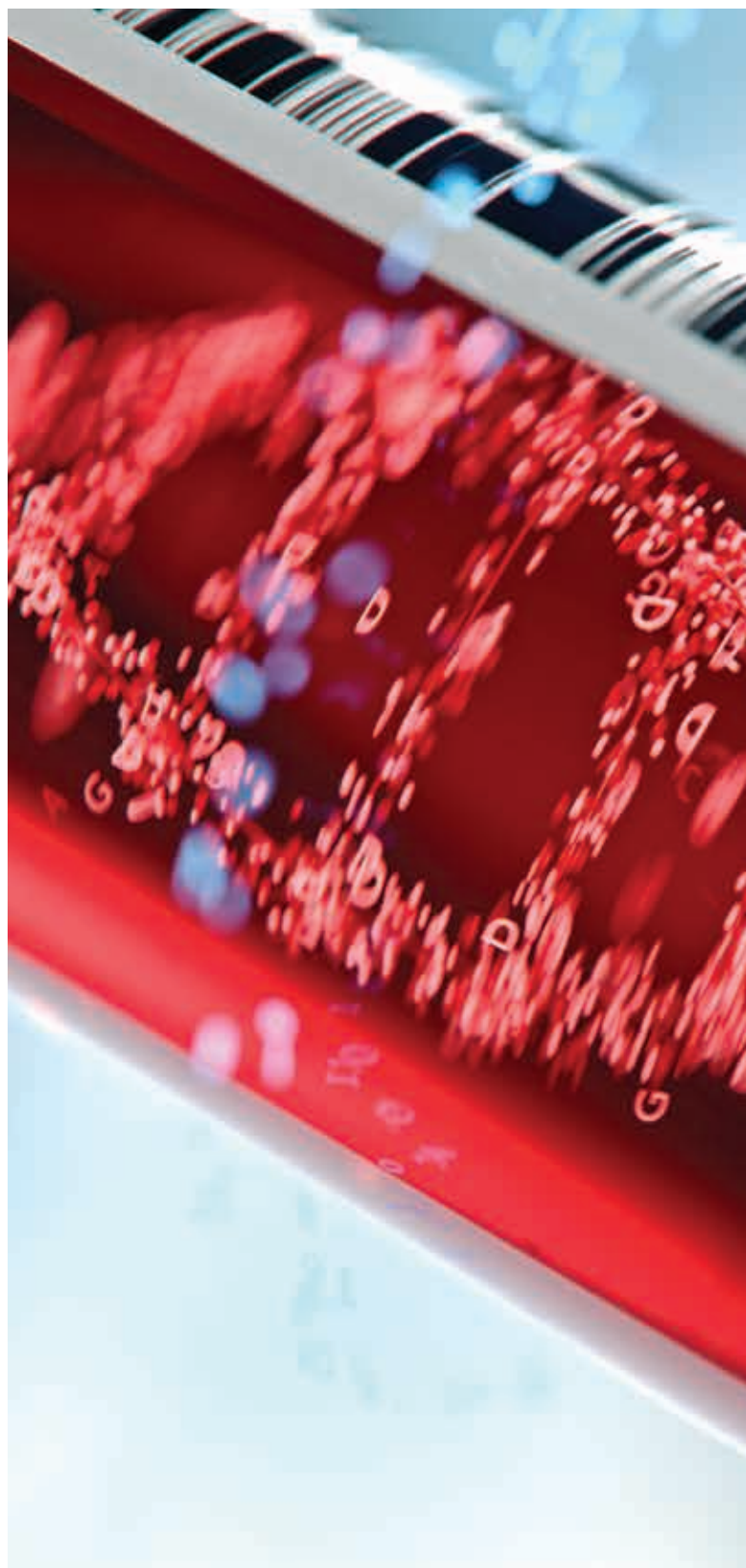
**INNOVATING  
THE FUTURE OF  
HEALTHCARE**

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This annual report has been prepared by the Company and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This annual report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Mr Lim Hoon Khia, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



## CORPORATE PROFILE

Incorporated in 2009, Biolidics Limited (“**Biolidics**” or the “**Company**” and together with its subsidiaries, “the **Group**”) is a precision medicine medical technology company with a focus in developing a portfolio of innovative diagnostic solutions to lower healthcare costs and improve clinical outcomes.

Biolidics has developed and commercialised the ClearCell® FX1 System, a fully automated CE-IVD medical device which relies on a novel, patented technology to separate and enrich cancer cells from blood, allowing users of the system to perform non-invasive 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.

Liquid biopsies (i.e. analysis of the CTCs in blood samples) have many applications throughout the various stages of a patient’s cancer journey, from cancer screening and staging to personalised treatment, and post-cancer monitoring.

In addition to establishing various partnerships in Asia for the development and commercialisation of a wide range of laboratory-developed tests and cancer diagnostics solutions, Biolidics’ quality assurance capabilities have been recognised through its ISO 13485 certification, CE-IVD, US FDA Class I registration and NMPA Class I registration.

To potentially accelerate its revenue growth and execution of its business strategy in cancer diagnostics, the Group has acquired Biomedics Laboratory Pte Ltd (“**Biomedics**”), which owns the only laboratory in Asia that is accredited by the College of American Pathologists (“**CAP**”) program for its detection of CTC under the anatomical pathology discipline. Providing a comprehensive suite of clinical diagnostic tests, including genetic tests and other cancer related diagnostic tests for oncology, the services of this Singapore-based laboratory will be complementary and synergistic with Biolidics’ novel patented CTC-based technology.

In addition, Biolidics has an infectious diseases division to develop and/or distribute certified test kits with various diagnostic partners. Biolidics has been expanding its portfolio of test kits for COVID-19 and the Company aims to provide testing applications for the entire range of infection stages for COVID-19.

In 2018, Biolidics was listed on the Catalist Board of the SGX-ST (Stock symbol: 8YY).

For more information, please visit <http://www.biolidics.com>.



# OVERVIEW OF CANCER

## A GLOBAL HEALTHCARE PROBLEM

Cancer is the second leading cause of death globally, and is responsible for about

**10 million deaths  
per year<sup>(1)</sup>**

The most common in 2020<sup>(2)</sup> (in terms of new cases of cancer) were:

- Breast
- Lung
- Colon and rectum
- Prostate
- Skin (non-melanoma)
- Stomach

**One in every 4 to 5**  
people in Singapore may develop  
cancer in their lifetime<sup>(3)</sup>

Metastasis is responsible for an estimated

**90% of cancer deaths<sup>(4)</sup>**

(1) <https://www.who.int/news-room/fact-sheets/detail/cancer>

(2) <https://www.who.int/news-room/fact-sheets/detail/cancer>

(3) <https://www.nccs.com.sg/patient-care/cancer-types/cancer-statistics>

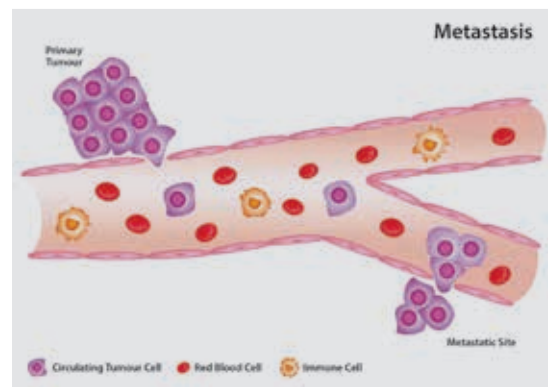
(4) <https://academic.oup.com/annonc/article/28/9/2045/3938713>

### WHAT IS CANCER?

All cancers are characterised by abnormal cell growth. Unlike normal healthy cells, cancer cells do not die. Instead, they continue to grow and divide in an uncontrollable manner. These defective cells may form a mass of tissue called a tumour.

### WHAT IS METASTASIS?

It is the process by which cancer cells spread through the blood and lymph systems from the place where they first formed. These circulating turnover cells can then form new tumours in other parts of the body.



### 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.

- 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.
- 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.
- Furthermore, 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.

# COMMERCIAL APPLICATIONS OF OUR CANCER DIAGNOSTICS TECHNOLOGY

***“Biolidics’ ClearCell® FX1 System can isolate wholly intact and viable CTCs for various downstream applications in the oncology medical field, leading to better healthcare treatment and clinical outcomes for cancer patients.”***

## ADVANTAGES OF OUR SOLUTION

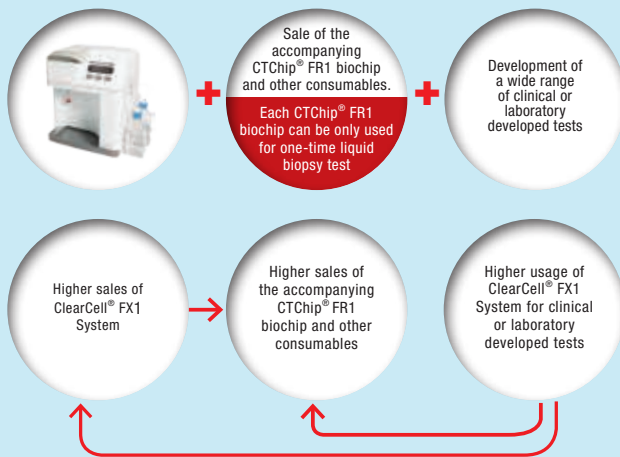
1. **A simple blood test** as compared to tissue biopsies, which involve the surgical removal of tissue from a patient’s body
2. Of the liquid biopsy techniques, **the analysis of CTCs, as employed in our ClearCell® FX1 System, has been noted to be the most highly developed technique**, as the presence of CTCs is a fundamental prerequisite to metastasis
3. Our technology **can be integrated with other analytical tests to develop a wide range of clinical or laboratory developed tests (“LDTs”)** for cancer screening and staging to personalised treatment, and post-cancer monitoring



## OUR NOVEL, PATENTED TECHNOLOGY

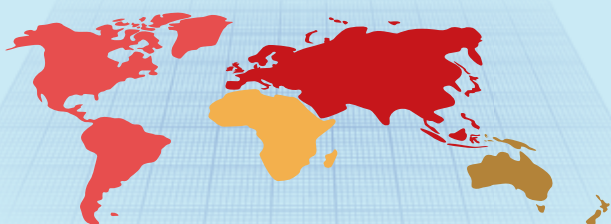
- ✓ Our CTChip® FR1 biochip uses a label-free approach to enrich CTCs, which helps to **maintain the CTCs in their original state and preserve their viability for use in diagnostic tests**
- ✓ Our label-free method **eliminates the need for a single biomarker and is able to isolate CTCs across a heterogeneous population without bias**
- ✓ Recovered CTCs can be **used to perform further analysis on cancer cells**, which has many applications throughout the various stages of a patient’s cancer journey
- ✓ **Fully automated** medical device

## OUR BUSINESS MODEL

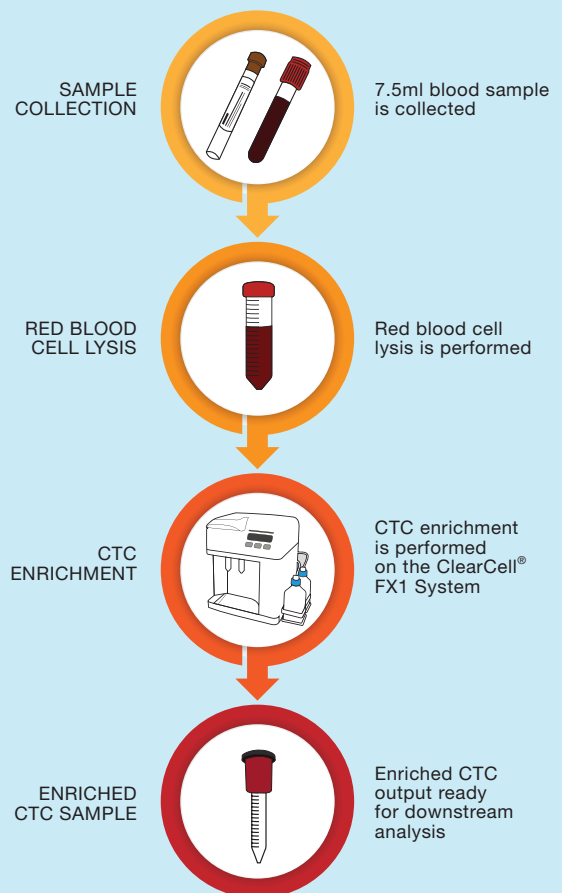


## COMMERCIALISATION OF OUR PRODUCT

Biolidics’ ClearCell® FX1 System is marketed and installed across the world, including Singapore, China, Hong Kong, Japan, Korea, the United States of America (“**US**”) and certain European Union (“**EU**”) countries.



## ILLUSTRATION OF THE CLEARCELL® FX1 SYSTEM WORK FLOW



# DIAGNOSTIC SOLUTIONS FOR INFECTIOUS DISEASES

## INFECTIOUS DISEASES

Infectious diseases are diseases caused by living organisms like viruses and bacteria. Such diseases can be spread, directly or indirectly, from person to person through body secretions, insects or other means. Examples are COVID-19, SARS, influenza, the common cold, tuberculosis (TB), Hepatitis A and B. Diseases which are spread from animals to humans, such as avian influenza, are known as zoonotic diseases.

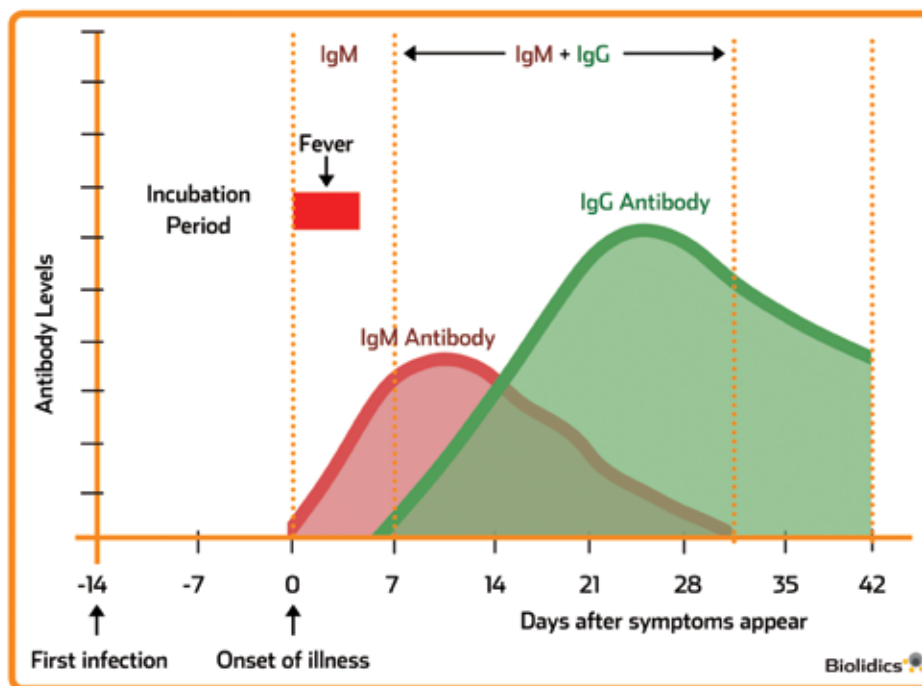
## THE IMPORTANCE OF TESTING FOR COVID-19

The World Health Organization declared COVID-19 a pandemic on March 2020, citing the alarming levels of spread around the world.

As a communicable disease outbreak (such as COVID-19) begins, the ideal response is for public health officials to begin testing for it early as it leads to quick identification of cases, quick treatment for those people and immediate isolation to prevent spread.

Taking proactive testing and screening measures will be vital in stopping the COVID-19 pandemic, thereby enabling economies to re-open with a phased return to normalcy.

## DIFFERENT TYPES OF TESTING APPLICATIONS FOR COVID-19



All types of testing have its respective strengths and limitations. Health authorities in various countries are utilising different technologies and test kits and using them in complementary ways in response to the COVID-19 pandemic.

The majority of tests for the SARS-CoV-2 virus can be divided into polymerase chain reaction (PCR), antigen or antibody tests. And at each infection stage of COVID-19, different tests are deployed to detect different hallmarks of the SARS-CoV-2 virus.

At the onset of COVID-19 infection, the SARS-CoV-2 virus load within an infected person will be at its highest and as such, PCR and antigen tests will be more suitable for detection and screening.

And as the body's immune system produce antibodies to combat the virus upon infection or via vaccination, the SARS-CoV-2 virus load will gradually decrease and at this stage, antibody and neutralising antibody tests will be more suitable for screening and can become a tool in assessing herd immunity.

### **BIOLIDICS' GROWING PORTFOLIO OF TESTING APPLICATIONS FOR COVID-19**

With the aim to provide various testing applications for COVID-19, Biolidics has a portfolio of antigen and antibody tests for COVID-19. In addition, Biolidics has licensed a technology from the Agency for Science, Technology and Research ("A\*STAR") to develop and market neutralising antibody test kits.

#### **Biolidics 2019-nCoV IgG/IgM Antibody Detection Kit (Colloidal Gold)**

##### **Key Product Features:**

- ✓ Detection time of 10 minutes
- ✓ High sensitivity, specificity and conformity
- ✓ Compatible with serum/plasma/venous whole blood
- ✓ Simultaneous detection of SARS-CoV-2 specific IgM and IgG antibodies
- ✓ Provisional approval from Singapore's Health Sciences Authority ("HSA")
- ✓ Provisional approval from Indonesia's Ministry of Health
- ✓ Provisional approval from the Philippines' Food and Drug Administration
- ✓ Obtained CE Mark



Please see full details of our antibody test kit here: <https://www.biolidics.com/2019-ncov-igg-igm-antibody-detection-kit>

#### **ClearEpi™ SARS-CoV-2 Antigen Rapid Test**

##### **Key Product Features:**

- ✓ Detection time of 15 minutes
- ✓ Suitable for point of care testing with no additional equipment required
- ✓ Convenient storage conditions: 2 – 30°C
- ✓ High sensitivity, specificity and accuracy
- ✓ Obtained CE Mark
- ✓ Product authorisation from Indonesia's Ministry of Health



Please see full details of our antigen test kit here: <https://www.biolidics.com/precisions-antigen-rapid-test>

# CORPORATE MILESTONES

**DEC 2018**

Initial public offering (“**IPO**”) on the Catalist Board of the SGX-ST on 19 Dec 18

**JUN 2019**

Partnership with Zhongshan TopGene Medical Laboratory Co., Ltd. in China to develop new commercial applications using Biolidics’ Clearcell® FX1 System and CTChip® FR1 biochips

**NOV 2019**

Biolidics’s ClearCell® FX1 System obtained the Class I registration from NMPA

**FEB 2019**

Strategic collaboration with Japan-based Sysmex Corporation (“**Sysmex**”), one of the leading suppliers of hematology products

**AUG 2019**

Awarded the prestigious “IPOS Award for IP Champions” by WIPO-IPOS

Hunan Agen Lab launched a diagnostics test service, using Biolidics’ ClearCell® FX1 System and CTChip® FR1 biochip, to test the status of PD-L1 in cancer patients. This diagnostic test measures the amount of PD- L1 expressed by cancer cells, thereby enabling physicians to gain more insights on how the patient potentially responds to PD-1/PD-L1 immune checkpoint inhibitors

**MAR 2019**

Biolidics’ laboratory partner in China, Hunan Agen Medicine Laboratory Technology Co., Ltd. (“**Hunan Agen Lab**”), to offer cancer diagnostics test using Biolidics’ ClearCell® FX1 System and CTChip® FR1 biochips

**SEP 2019**

Collaboration with Hangzhou Normal University to undertake clinical investigations for a biomarker in late stage lung cancer and potential companion diagnostics development

Biolidics entered into a definitive agreement with Sysmex to apply both companies’ core expertise and know-how in the development of new LDTs for cancer diagnostics, which supports a growing demand for minimally invasive procedures in this area

**MAY 2019**

Partnership with Genecast Biotechnology Co., Ltd. to develop new commercial applications using Biolidics’ Clearcell® FX1 System and CTChip® FR1 biochips

Collaboration with A\*Star Genome Institute of Singapore to develop new liquid biopsy test for the monitoring of breast cancer recurrence



### MAR 2020

**B**iolidics raised S\$3.13 million from a share placement to fuel business expansion and pursue new growth opportunities

**B**iolidics entered into a manufacturer agreement to manufacture test kits for the detection of the Novel Coronavirus 2019 antibodies (the “**COVID-19 Antibody Test Kits**”); Obtained provisional authorisation from Singapore’s HSA for its COVID-19 Antibody Test Kits

### APR 2020

**B**iolidics’ COVID-19 Antibody Test Kits approved for use by the Philippines’ Food And Drug Administration

**B**iolidics’ COVID-19 Antibody Test Kits obtained CE Marking for use in the European Union

**C**K Life Sciences appointed as a non-exclusive distributor for Biolidics’ COVID-19 Antibody Test Kits in Hong Kong

### MAY 2020

**M**ediproud appointed as non-exclusive distributor of Biolidics’ COVID-19 Antibody Test Kits in Thailand

**C**learbridge Medical Group Pte Ltd appointed as non-exclusive distributor of COVID-19 Antibody Test Kits in the Philippines, Indonesia, Myanmar and Vietnam

**B**iolidics completed the acquisition of the entire issued and paid-up share capital of Biomedics to increase the Group’s core capabilities

### JUL 2020

**C**ollaboration agreement with LC-Bio Technologies (Hangzhou) Co., Ltd. (杭州联川生物技术股份有限公司) (“**LC-Bio**”) to develop cancer diagnostic solutions using the Company’s proprietary technology at LC-Bio’s medical laboratory

**L**icencing agreement with A\*Star commercialisation unit to develop and market neutralising antibody test kits

### NOV 2020

**B**iolidics’ COVID-19 Antibody Test Kits obtained product authorisation In Indonesia

**B**iolidics entered into a distribution agreement with JOYSBIO (Tianjin) Biotechnology Co, Ltd (“**Joysbio**”) to distribute Joysbio’s SARS-CoV-2 Antigen Rapid Test Kit (Colloidal Gold) (the “**Joysbio COVID-19 Antigen Rapid Test Kits**”); Obtained provisional authorisation from Singapore’s HSA for the Joysbio COVID-19 Antigen Rapid Test Kits

## CHAIRMAN'S STATEMENT

Creating more opportunities for value creation, Biolidics has prioritised its efforts in two key areas of diagnostic solutions: infectious diseases and cancer diagnostics using non-invasive liquid biopsy.



### DEAR SHAREHOLDERS,

Looking back, Biolidics has indeed come a long way. From our incorporation in 2009 till early 2017, we have always had a single product development strategy, which led to the development of the current ClearCell® FX1 System and CTChip® FR1 biochip that leverages on our patented microfluidics platform to perform an otherwise complicated cell separation exercise between healthy cells and CTCs, which are the primary cancer cells that causes metastasis.

The objective is to develop a liquid biopsy platform that can provide not just a diagnosis of the patient, but to also enable pharmaceutical companies with an accelerated route to commercialisation for cancer-related treatments.

In late 2017, after many challenges (many a times, seemingly insurmountable), we decided to embark on a more novel way to approach the productisation process by adopting a “move fast, learn fast” model. In 2018, we also embarked on a capitalisation exercise by completing our Series C fund raising exercise and subsequently, our listing on the Catalist Board of the SGX-ST in December 2018.

Currently, as a medical technology company, Biolidics has been focused on developing a portfolio of innovative diagnostic solutions with the aim of lowering healthcare costs and improving clinical outcomes. The above, being the mission of the Company, coupled with the approach of “move fast, learn fast” model, we have been able to quickly pivot our existing capabilities into the development of test kits in the virology field.

The introduction of our COVID-19 Antibody Test Kits in late March 2020 was a result of this approach and since then, this business segment has become a key contributor to the Group’s revenue growth of 519.4% for the financial year ended 31 December 2020 (“FY2020”), notching to a record of S\$8.91 million.

Creating more opportunities for value creation, Biolidics has prioritised our efforts in two key areas of diagnostic solutions: infectious diseases and cancer diagnostics using non-invasive liquid biopsy.

### TESTING APPLICATIONS FOR THE ENTIRE RANGE OF INFECTION STAGES FOR COVID-19

Even with promising news on vaccine roll-out programmes globally, the importance of reliable, accessible testing continues to be essential to public health policy responses towards the COVID-19 pandemic.

As the global economy re-opens with the resumption of economic and community activities on a wider scale, we expect that testing applications for COVID-19 to continue to play a vital role in the “new-normal” economy for screening purposes and other forms of routine, asymptomatic and travel related testing.

Biolidics will continue to use its current expertise to develop diagnostic solutions for the virology sector.

### **CHEAPER, SAFER AND SIMPLER SOLUTIONS FOR CANCER DIAGNOSTICS**

Responsible for about 10 million deaths per year, cancer is the second leading cause of death globally and it remains one of the world’s most complex medical conditions.

Cancer generally requires long periods of treatment and as patients undergo cancer drug treatments, cancer diagnostics is required to monitor the effectiveness of the treatment throughout the various stages of a patient’s cancer journey, such as cancer screening, cancer staging and post-cancer monitoring.

Technology has consistently been a driver of transformation in healthcare and for the more global cancer diagnostics market that is expected to reach US\$249.6 billion by 2026, technology is shaping the industry and creating new opportunities<sup>1</sup>.

The traditional method for cancer diagnostics involves a tissue biopsy (a surgical process) that is invasive to the patient, expensive and difficult to repeat.

For Biolidics, our patented technology is focused on providing minimally-invasive cancer diagnostics solutions that are cheaper, safer and simpler.

Furthermore, our ClearCell® FX1 System can be integrated with other downstream analytical equipment to develop various LDTs in both the cellular and molecular levels or laboratory assays for cancer diagnostics. The LDTs are a much cheaper, safer and simpler alternative than traditional methodology and once clinically approved, the LDTs can potentially lead to the sales potential of our products because each LDT will require the usage of one CTChip® FR1 biochip as well as consumables.

Reflecting the strong value propositions of our patented technology, Biolidics has established various partnerships in Asia, particularly in China, for the development and commercialisation of a wide range of LDTs and cancer diagnostics solutions, using our ClearCell® FX1 System and CTChip® FR1 biochip.

Aligned with the rising demand for minimally-invasive cancer diagnostics solutions, these strategic partnerships allow our respective partners and Biolidics to deploy resources to our areas of expertise so that the LDTs can be quickly commercialised with greater access to patients.

At the same time, we aim to develop a potentially scalable and cash generative model within the high-growth cancer diagnostics market.

### **THE WAY FORWARD**

As you can see over the past year, we have been focusing on key drivers for further growth and innovation during this pandemic.

The highest medical standards are our benchmark. This is our commitment to stakeholders who placed their trust and confidence in us to deliver high-quality and reliable diagnostic solutions.

Last but not least, on behalf of the board of directors, I would like to take this opportunity to thank our shareholders for their confidence and continued support as we adapt our strategy and resources to harness the growing opportunities in our key target markets within the diagnostic industry.

The future of healthcare is dawning on us and we will build on our current momentum to move towards the next altitude of growth and progress.

Thank You!

### **MR YEE PINH JEREMY**

*Non-Executive Non-Independent Chairman*

<sup>1</sup> <https://www.grandviewresearch.com/press-release/global-cancer-diagnostics-market>

# OPERATIONS & FINANCIAL REVIEW



## Operations Review

### Recent Corporate Developments

With an aim to lower healthcare costs and improve clinical outcomes, Biolidics' current focus is in developing a portfolio of innovative diagnostic solutions in the areas of infectious diseases and cancer diagnostics using non-invasive liquid biopsy.

On the infectious diseases front, Biolidics aims to provide testing applications for the entire range of infection stages for COVID-19. In March 2020, we announced the launch of our COVID-19 Antibody Test Kit with the provisional authorisation obtained from Singapore's HSA for the test kit to be used in Singapore. Since then, our COVID-19 Antibody Test Kit has obtained approval for use in other countries and we have entered into distribution agreements for our test kit to be sold in various markets.

To develop new serology tests for COVID-19 test kits, we signed a licensing agreement with Accelerate Technologies Pte Ltd, the commercialisation arm of A\*STAR, to use their technology for the detection of COVID-19 viral spike/Angiotensin Converting Enzyme 2 ("**ACE2**") blocking antibodies for diagnostic use and market such test kits known as neutralising antibody test kits.

Creating more opportunities for value creation related to COVID-19, we entered into a distribution agreement with Joysbio for the Joysbio COVID-19 Antigen Rapid Test Kits, which has received the provisional authorisation from HSA.

And to further expand our product portfolio, Biolidics launched the ClearEpi SARS-CoV-2 Antigen Rapid Test Kit (the "**ClearEpi ART**") in January 2021 and this test kit has received confirmation for the CE marking. The CE marking indicates that the ClearEpi ART complies with the relevant EU safety, health and environmental protection requirements which enables the ClearEpi ART to be marketed in the EU.

Separately, during FY2020, we completed the acquisition of Biomedics, which could potentially accelerate our revenue growth and execution of our business strategy in cancer diagnostics. Biolidics plans to leverage on Biomedics' clinical laboratory to market new services that utilise our proprietary technologies together with the technologies provided by other strategic partners and vendors to differentiate and build new sources of revenue.

To strengthen our positioning as an upstream technology within the cancer diagnostic value-chain, Biolidics has established various strategic collaborations and partnerships with established medical and clinical laboratories, and medical technology companies to develop LDTs or laboratory assays for cancer diagnostics.

During FY2020, we entered into a collaboration with LC-Bio to develop cancer diagnostic solutions using the Company's proprietary technology at LC-Bio's medical laboratory in Hangzhou, China.

Using just a blood sample, these LDTs are a cheaper, faster and simpler alternative to an invasive tissue biopsy and once clinically approved, the LDTs can potentially lead to the sales of our ClearCell® FX1 System and CTChip® FR1 biochip.



Laying the foundation of growth drivers, Biolidics aims to optimise our portfolio of diagnostics solutions to address the evolving needs of healthcare.

### Financial Review

#### Revenue

Revenue increased by 519.4% or S\$7.47 million, from S\$1.44 million in FY2019 to S\$8.91 million in FY2020, due mainly to revenue from the sale of our test kits for the detection of the COVID-19 Antibody Test Kits which amounted to S\$7.81 million.

Revenue from the sales of our ClearCell® FX1 System, our CTChip® FR1 biochip and other related services and consumables remained relatively stable at S\$1.17 million and S\$1.06 million in FY2019 and FY2020 respectively.

#### Other income

Other income increased by 187.6% or S\$0.40 million, from S\$0.22 million in FY2019 to S\$0.62 million in FY2020, due mainly to government grant income of S\$0.23 million and S\$0.29 million in aggregate from the Jobs Support Scheme (“JSS”) and Capability Development Grant (“CDG”). The increase was partially offset by the decrease of S\$0.09 million in interest income from fixed deposits.

#### Changes in inventories

We recorded an increase of S\$0.63 million in the closing balance of our inventories in FY2020, as compared to an increase of S\$0.07 million in FY2019. 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\$5.55 million, from S\$0.55 million in FY2019 to S\$6.10 million in FY2020, due mainly to the increase in sales of our COVID-19 Antibody Test Kits during the year.

#### Employee benefits expense

Employee benefits expense increased by 81.6% or S\$1.23 million, from S\$1.51 million in FY2019 to S\$2.74 million in FY2020, due mainly to share-based payment expense of S\$1.37 million as a result of the vesting of share awards granted under the Company's performance share plan.

#### Depreciation expense

Depreciation expense increased by 26.8% or S\$0.16 million, from S\$0.59 million in FY2019 to S\$0.75 million in FY2020, due mainly to the depreciation of office renovation following the Company's office relocation in the second half of FY2019 and the depreciation of plant and equipment purchased since the second half of FY2019, as compared to a full year depreciation in FY2020.

#### Amortisation expense

Amortisation expense increased by 428.3% or S\$0.19 million, from S\$0.05 million in FY2019 to S\$0.24 million in FY2020, due mainly to the amortisation of the CAP Accreditation of Biomedics, identified as an intangible asset during the Purchase Price Allocation review.

#### Research and development (“R&D”) expense

R&D expense decreased by 28.8% or S\$0.35 million, from S\$1.23 million in FY2019 to S\$0.88 million in FY2020, due mainly to the reduction in R&D activities during the year.

## OPERATIONS & FINANCIAL REVIEW

### Other expenses

Other expenses increased by 53.7% or S\$1.40 million, from S\$2.61 million in FY2019 to S\$4.01 million in FY2020. The increase was due mainly to (i) an increase of S\$1.00 million in professional fees (cash-settled) as a result of an increase in consultant fees of S\$0.45 million mainly relating to technical, quality assurance, regulatory affairs and laboratory services, and one-off professional fees of S\$0.17 million in relation to the acquisition of the entire issued and paid-up share capital of Biomedics (the “**Acquisition**”) and one-off professional fees of S\$0.23 million in relation to the COVID-19 Antibody Test Kits, (ii) share-based payment expense of S\$0.58 million as a result of vesting of share awards granted to third party individuals in part as consideration in lieu of fees for their services rendered to the Group and in part as performance based incentives for future performance of such service, and (iii) an increase of S\$0.53 million in foreign exchange loss as a result of the weakening of the United States Dollar arising from certain bank balances denominated in United States Dollar. These increases were partially offset by a decrease of S\$0.49 million in travelling expenses and a decrease of S\$0.06 million in sales and marketing expenses.

### Finance costs

Finance costs increased by S\$0.12 million, from approximately S\$6,000 in FY2019 to S\$0.13 million in FY2020, due mainly to the interest expense from the bank loan and lease liabilities and accretion of interest on the deferred consideration payable for the Acquisition.

### Income tax credit

Income tax credit pertains to the reversal of deferred tax liabilities arising from the CAP Accreditation of Biomedics.

### Loss for the year

As a result of the foregoing, loss for the year decreased by 3.3% or S\$0.16 million, from S\$4.81 million in FY2019 to S\$4.65 million in FY2020. Excluding the one-off expense for professional fees, the other income under JSS and CDG, and equity-settled share-based payments, the Group would have recorded a loss for the year of S\$2.82 million in FY2020.

## REVIEW OF THE GROUP'S FINANCIAL POSITION

### Non-current assets

The Group's non-current assets increased by 205.1% or S\$3.91 million, from S\$1.90 million as at 31 December 2019 to S\$5.81 million as at 31 December 2020. This was due mainly to an increase in intangible assets and goodwill of S\$3.21 million and S\$0.63 million, respectively, which arose mainly from the Acquisition.

### Current assets

The Group's current assets increased by 67.7% or S\$5.23 million, from S\$7.72 million as at 31 December 2019 to S\$12.95 million as at 31 December 2020. This was due mainly to (i) an increase in cash and cash equivalents of S\$4.64 million, and (ii) an increase in inventories of S\$0.71 million.



### Current liabilities

The Group's current liabilities increased by 61.5% or S\$0.87 million, from S\$1.42 million as at 31 December 2019 to S\$2.29 million as at 31 December 2020. This was due mainly to an increase in borrowings of S\$0.87 million comprising the current portion of working capital bank loans drawn down during the year.

### Non-current liabilities

The Group's non-current liabilities increased by S\$7.75 million, from S\$0.44 million as at 31 December 2019 to S\$8.19 million as at 31 December 2020. This was due mainly to (i) an increase in borrowings of S\$3.76 million comprising the non-current portion of working capital bank loans drawn down during the year, and (ii) deferred consideration of S\$3.51 million in relation to the Acquisition which was completed for an aggregate consideration of up to S\$3.70 million (the "**Consideration**"). The Consideration is to be satisfied by way of cash, of which S\$0.1 million was paid upon completion of the Acquisition and the balance of the Consideration shall be paid no later than 24 months from the date of completion.

### REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Operating cash inflow before movements in working capital amounted to S\$1.49 million in FY2020. Net cash used for working capital amounted to S\$0.94 million due mainly to (i) an increase in inventories of S\$0.79 million, and (ii) a decrease in trade payables of S\$0.42 million, and partially offset by (i) a decrease in prepayments of S\$0.13 million, and (ii) an increase in other payables of S\$0.15 million. As a result, net cash used in operating activities was S\$2.43 million in FY2020.

Net cash used in investing activities for FY2020 amounted to S\$0.54 million. This was due mainly to (i) additions in plant and equipment of S\$0.32 million, (ii) additions in intangible assets of S\$0.12 million, and (iii) the net cash outflow of S\$0.09 million in relation to the Acquisition.

Net cash generated from financing activities for FY2020 amounted to S\$7.50 million. This was due mainly to proceeds of S\$3.13 million and S\$5.00 million from the issuance of placement shares and draw down of working capital bank loans in FY2020, respectively.

Exchange effects on cash and cash equivalents for FY2020 amounted to S\$0.11 million.

As a result, there was a net increase in cash and cash equivalents by S\$4.53 million, from S\$6.03 million as at 31 December 2019 to S\$10.67 million as at 31 December 2020.

## BOARD OF DIRECTORS



### YEE PINH JEREMY

**Date of First Appointment:** 27 April 2017

**Member:** Remuneration Committee

**Present directorships in other listed companies:**

Clearbridge Health Limited (SGX-ST)

**Past directorships in other listed companies:**

Cordlife Group Limited (SGX-ST)

Cordlife Limited (now known as Life Corporation Limited) (ASX)

Jeremy is the Non-Executive Non-Independent Chairman of the Company. He founded Clearbridge Medical Group Pte. Ltd. (formerly known as Insight Medica Pte. Ltd.) in 2016. Since 2017, he has served as the Executive Director and Chief Executive Officer (“CEO”) of Clearbridge Health Limited (“Clearbridge”), 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.

From 2011 to 2016, Jeremy was the CEO of Cordlife Group Limited, a company listed on the SGX-ST, where he was responsible for identifying and implementing company-wide business growth strategies. From 2002 to 2011, he was the Director of Corporate Development, 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 (“ASX”). During his tenure, Jeremy was responsible for the group’s overall corporate development activities and financial functions, including statutory filings, accounting audits, finance controls and treasury matters. He spent the early part of his career in the banking and finance industry.

Jeremy 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 and the EIT Health Advanced Management Programme on Health Innovation in 2018.





### CHEN JOHNSON

**Date of First Appointment:** 19 July 2009

**Member:** Nominating Committee

**Present directorships in other listed companies:**

Clearbridge Health Limited (SGX-ST)

**Past directorships in other listed companies:** Nil

Johnson is the Non-Executive Non-Independent Director and Founder of the Company. Since 2002, he has been the Executive Director of 1Bridge Partners Limited, where he oversees investment management.

He is also the Non-Executive Non-Independent Chairman and Co-Founder of Clearbridge, and the Founder and CEO of CapBridge Financial Pte. Ltd. (“**CapBridge**”). CapBridge is the first Monetary Authority of Singapore (“**MAS**”) regulated online integrated private markets platform in Singapore. The platform comprises a global online investment syndication and distribution arm that holds a Capital Markets Services License, and a private exchange arm that holds a Recognised Market Operator (“**RMO**”) license – the first such private markets exchange to be granted the RMO license in Singapore by MAS.

From 1999 to 2002, he was the President of CyberWorks Ventures, the venture capital arm of Hong Kong-based information communications technology company Pacific Century CyberWorks.

Johnson sits on the Technical Advisor panel of the Central Gap Fund, a national-level platform established by the Singapore National Research Foundation to resource impactful projects and encourage collaboration across public research performers and industry. He is also a Strategic Research Innovation Fund committee member at NTUitive, the innovation and enterprise company set up by Nanyang Technological University. Johnson was the top graduate in the Singapore Armed Forces officer cadet course during his National Service and was awarded the prestigious Sword of Honour by the President of Singapore.

Johnson graduated with a Bachelor of Arts (Manufacturing Engineering Tripos) degree and a Master of Manufacturing Engineering from the University of Cambridge, the UK in 1997.

### LEONG YOW SENG

**Date of First Appointment:** 20 November 2018

**Chairman:** Remuneration Committee

**Member:** Audit Committee and Nominating Committee

**Present and past directorships in other listed companies:** Nil

Yow Seng is the Lead Independent Director of the Company. Since 2014, he 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. He is also currently a Behaviour Therapist at Lazarus Centre Pte. Ltd., an early intervention centre for children with autism.

From 2018 to 2019, Yow Seng was 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. 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. 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. He spent the early part of his career in the corporate finance industry.

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.

## BOARD OF DIRECTORS



### **ONG HSIEN CHIH, JAMES (WENG XIANZHI, JAMES)**

**Date of First Appointment:** 20 November 2018

**Chairman:** Nominating Committee

**Member:** Audit Committee

**Past directorships in other listed companies:** Nil

James is an Independent Director of the Company. He is currently the Director of Group Mergers & Acquisitions and Business Development of IMC Pan Asia Alliance Group (“**IMC Group**”), where he is responsible for all aspects of mergers and acquisitions from opportunity identification to execution and post-deal integration. IMC Group has business segments in shipping, real estate, lifestyle and investment management.

In 2015, James 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 was the Chief Investment Officer and was responsible for mergers and acquisitions, capital structure and negotiation of joint ventures, as well as heading the asset management team. He was 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.

From 2012 to 2015, James 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. 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. James spent the early part of his career in the banking and finance industry.

James 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.

### **TOH SHIH HUA**

**Date of First Appointment:** 20 November 2018

**Chairman:** Audit Committee

**Member:** Remuneration Committee

**Present directorships in other listed companies:**  
Vibropower Corporation Limited (SGX-ST)

**Past directorships in other listed companies:** Nil

Shih Hua is an Independent Director of the Company. In 2004, Shih Hua founded Genesis Capital Pte Ltd, a corporate finance advisory company, where she continues to serve as a Director and oversees deal origination and has completed numerous corporate finance transactions including initial public offerings, mergers and acquisitions, take-overs and fund raisings. She spent the early part of her career in the banking and finance industry.

Shih Hua graduated from the Nanyang Technological University with a Bachelor of Accountancy in 1997 and is a member of the Institute of Singapore Chartered Accountants.



### **KONG CHEE KEONG**

**Date of First Appointment:** 1 April 2021  
**Member:** Nil

**Present directorships in other listed companies:**

JEP Holdings Ltd. (SGX-ST)  
 Darco Water Technologies Limited (SGX-ST)

**Past directorships in other listed companies:**

Libra Group Limited (SGX-ST)

**C**hee Keong is an Independent Director of the Company. He is a Chartered Accountant with more than 25 years of experience in corporate strategy development, private equity investment and financial accounting, having previously worked with Ernst & Young LLP and the private equity arm of ING Barings. He has owned by starting and developing, and also played key roles in finance such as chief financial officer and corporate management of; several early stage ventures in the renewable energy and healthcare industry, in particular, one in the life sciences focused on vaccine research and development. He is currently the Managing Director of a boutique corporate advisory company which serves both private and public listed companies in sectors such as healthcare and renewable energy. He manages the development of a portfolio of renewable energy assets and is the joint venture partner of a Euro Stoxx50 multinational renewable energy conglomerate, Engie.

Chee Keong is also currently an independent director and chairman of the audit committee of JEP Holdings Limited and an independent director of Darco Water Technologies Limited.

Chee Keong holds a Master of Business Administration from the University of Manchester and a Bachelor of Accountancy (Hons) from the National University of Singapore. He is a full member of the Institute of Singapore Chartered Accountants and member of the Singapore Institute of Directors.

### **CHIA BENG KWAN**

**Date of First Appointment:** 1 April 2021  
**Member:** Nil

**Present directorships in other listed companies:** Nil

**Past directorships in other listed companies:** Nil

**B**eng Kwan is an Independent Director of the Company. He is currently the Partner & Head of Corporate Finance of W Capital Markets Pte Ltd ("**W Capital**"). He has over 15 years of investment banking and corporate finance advisory experience. Although his primary focus is on initial public offerings and reverse takeovers, covering industries ranging from food & beverage, biomedical sciences, engineering to mining, Beng Kwan has also been involved in various secondary fund raising exercises as well as corporate advisory work for companies listed on the SGX-ST.

Beng Kwan has been a registered professional registered with the SGX-ST since 2008, undertaking continuing sponsorship activities for companies listed on the Catalist Board of the SGX-ST. Prior to joining W Capital, Beng Kwan has held various senior positions in established financial institutions including United Overseas Bank Limited, Canaccord Genuity Singapore Pte Ltd and Phillip Securities Pte Ltd.

Beng Kwan graduated with a Bachelor of Business (Actuarial Science) from the Nanyang Technological University.

## EXECUTIVE OFFICERS

### LEONG MAN CHUN

#### Interim Chief Executive Officer

**M**an Chun joined the Company as the Chief Commercial Officer in September 2019. He was redesignated to Interim CEO in March 2020. He is responsible for the overall management, operations, strategic planning and business development of the Group.

From 2017 to 2019, he served as the Director of Innovation and Product Development at Clearbridge, an integrated healthcare group with a focus on the delivery of precision medicine, where he was responsible for building the precision diagnostic product pipelines and driving commercial launch of the diagnostic services. From 2013 to 2017, he was the Clinical Projects Manager of the Company, where he oversees the development of the Company's clinical strategies, led on key opinion leader development initiatives and managed strategic partners relationships.

Man Chun obtained his Bachelor of Engineering (Bioengineering) from the National University of Singapore in 2010, his Diploma d'ingenieur from Ecole Centrale Paris and Doctor of Philosophy from the National University of Singapore in 2014.

### TAN WEI CHEE

#### Financial Controller

**W**ei Chee has been with the Company since January 2016 and is responsible for the Group's finance and management reporting, internal controls and human resources.

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 Singapore Financial Reporting Standards. 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.

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.

### WANG QINGYIN

#### Chief Operating Officer

**Q**ingyin was appointed as the Chief Operating Officer ("COO") of the Company in August 2019. She is responsible for overseeing the operations of the Group.

From 2017 to 2019, she served as the Associate Director of Technical Operations at Clearbridge Medical Group Pte Ltd, a company in the precision diagnostics and healthcare services industry, where she was responsible for the technical operations for clinical laboratories of the group in Singapore and the region, and seeking new market opportunities and customer development in China to enhance and expand existing business. From 2005 to 2017, she was an Investigator of Novartis Institute for Tropical Diseases (NITD) Pte Ltd, where she established from scratch a laboratory specialized in developing various cell-based assays to support all stages of drug discovery, spearheaded cross-continental and multidisciplinary drug discovery projects, and engaged in training and educational activities.

Qingyin obtained her Bachelor of Science from the Nanjing Agricultural University in 1994, her Doctor of Philosophy in Molecular Virology, University of Illinois at Chicago in 2003 and Postdoctoral fellowship from Harvard Medical School in 2005. In 2019, she obtained her EMBA (Dean's List) from the Nanyang Business School.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Yee Pinh Jeremy  
*Non-Executive Non-Independent Chairman*

Chen Johnson  
*Non-Executive Non-Independent Director and Founder*

Leong Yow Seng  
*Lead Independent Director*

Ong Hsien Chih, James (Weng Xianzhi, James)  
*Independent Director*

Toh Shih Hua  
*Independent Director*

Kong Chee Keong  
*Independent Director*

Chia Beng Kwan  
*Independent Director*

## AUDIT COMMITTEE

Toh Shih Hua (*Chairman*)  
Leong Yow Seng  
Ong Hsien Chih, James (Weng Xianzhi, James)

## NOMINATING COMMITTEE

Ong Hsien Chih, James (Weng Xianzhi, James) (*Chairman*)  
Chen Johnson  
Leong Yow Seng

## REMUNERATION COMMITTEE

Leong Yow Seng (*Chairman*)  
Yee Pinh Jeremy  
Toh Shih Hua

## COMPANY SECRETARY

Lim Sim Ving  
*(Associate Member and Practising Chartered Secretary)*

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

37 Jalan Pemimpin  
#02-07 Mapex  
Singapore 577177

## SPONSOR

United Overseas Bank Limited  
80 Raffles Place  
UOB Plaza  
Singapore 048624

## SHARE REGISTRAR

Tricor Barbinder Share Registration Services  
(a division of Tricor Singapore Pte. Ltd.)  
80 Robinson Road  
#02-00  
Singapore 068898

## AUDITOR

Ernst & Young LLP  
One Raffles Quay  
Level 18 North Tower  
Singapore 048583

Partner-in-charge: Terry Wee Hiang Bing  
(a member of the Institute of Singapore Chartered Accountants)  
Date of appointment: 30 April 2019

## INVESTOR RELATIONS

8PR Asia Pte Ltd  
37 Tannery Lane  
#06-05 Tannery House  
Singapore 347790

The cover features a central graphic with a green circular border. Inside this border, the left half shows a close-up of green, spherical microorganisms, while the right half shows a test tube containing a green liquid. A smaller, solid green circle is centered over the intersection of these two images, containing the text 'SUSTAINABILITY REPORT' in white, bold, uppercase letters. The background is white with a light blue molecular network pattern of interconnected circles and lines.

**SUSTAINABILITY  
REPORT**

# SUSTAINABILITY REPORT

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# SUSTAINABILITY REPORT

## BOARD STATEMENT

The board of directors (“**Board**” or “**Directors**”) of Biolidics is pleased to present our second sustainability report (the “**Report**”) for FY2020.

Listed on the Catalist Board of the SGX-ST on 19 December 2018, Biolidics is a precision medicine medical technology company with a focus in developing a portfolio of innovative diagnostic solutions to lower healthcare costs and improve clinical outcomes.

Biolidics remains committed to being highly competitive and having a growth-focused mindset. We recognise that in order to stay relevant and maintain our competitive edge, we will need to remain innovative within the medical and life sciences sector. This will require Biolidics to continue to be proactive in our exploration of new opportunities for growth, focus on product/service economies of scope (i.e. cost and/or operational efficiencies created by dealing with a variety of different products) and be organisationally agile. To this end, and as part of our ordinary course of business, we have expanded our sales and distribution of third party medical and healthcare-related products to include, *inter alia*, other brand(s) of COVID-19 antigen rapid test kits and any other technologies within the diagnostic space in the healthcare sector in FY2020. During FY2020, Biolidics has also expanded our business to rendering of laboratory services by acquiring Biomedics.

The Board recognises the importance of sustainability and considers environmental, social and governance (“**ESG**”) factors in its decision making, while focusing on areas which are most relevant to our business. For FY2020, we have formalised our sustainability approach by reviewing our materiality assessment, performance indicators and targets that will guide our sustainability efforts and we have identified customer privacy as an additional area of focus due to sensitive customer data which may come into our possession via our laboratory business.

The global COVID-19 pandemic has had a significant impact on the global economy and businesses, and it has inevitably brought more attention to the healthcare industry. Due to the rapidly evolving nature of the COVID-19 pandemic and as more information and discoveries from researches and studies conducted become available, companies involved in the development, supply and distribution of COVID-19 related products are required to keep pace with the latest developments and ensure that their products stay relevant. We are committed to grow sustainably as a forward-looking company covering our approach and performance in sustainability as we continue to actively explore collaborations and partnerships for the development and commercialisation of new technologies and products related to our liquid biopsy, infectious disease and laboratory businesses.

This Report is prepared in accordance with the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”) and with reference to the Global Reporting Initiative (“**GRI**”) Standards. This Report serves as a platform for Biolidics to formally communicate our sustainability approach on our practices, performance and targets in relation to our sustainability efforts for FY2020 with our stakeholders.

Board of Directors  
Biolidics Limited



## ABOUT THIS REPORT

This is Biolidics' second sustainability report.

The scope of this Report focuses on the Group's key business activities in Singapore. Information disclosed in this Report reflects our ESG efforts and encapsulates our commitment to grow sustainably as a forward-looking company covering our approach and performance in sustainability for FY2020.

This Report is prepared in accordance with the requirements of Practice Note 7F: Sustainability Reporting Guide of the Catalist Rules and with reference to the GRI Standards. The GRI standards were chosen because they are one of the most commonly used frameworks, and therefore, familiar to our readers and the "with reference to" option was chosen. This Report references the following topic-specific disclosures:

- Disclosure 102-8 a and c from GRI 102: General Disclosures 2016
- Disclosure 201-1 a from GRI 201: Economic Performance 2016
- Disclosure 401-1 a and b from GRI 401: Employment 2016
- Disclosure 403-2 a, b and c from GRI 403: Occupational Health and Safety 2018
- Disclosure 404-1 a and 404-2 a from GRI 404: Training and Education 2016
- Disclosure 418-1 c from GRI 418: Customer Privacy 2016
- Disclosure 419-1 b from GRI 419: Socioeconomic Compliance 2016

We have not sought external assurance for this Report.

Biolidics strives to continuously refine our sustainability strategy and practices. We greatly welcome your feedback and comments regarding this Report. You can reach us at [support@biolidics.com](mailto:support@biolidics.com).











# SUSTAINABILITY REPORT

## MATERIALITY ASSESSMENT

Biolidics conducted a materiality assessment exercise, referencing the GRI Standards (2016) Materiality Principle. The objective of the exercise was to identify, prioritise and validate ESG factors that are significant to business operations and of interest to our key stakeholders.

With the facilitation of an external consultant, we considered trends and current themes and areas of concern in the healthcare industry. Through peer benchmarking as well as taking into consideration the sustainability trends in Singapore and globally, we have shortlisted and identified 7 material factors. These factors were deemed material to Biolidics as they play an important role in our business operations.

The following table depicts our material factors for FY2020.






Material Factors	Sustainability Aspects	For Detailed Information
<b>Economic Performance</b>		<ul style="list-style-type: none"> <li>• Operations and Financial Review, pages 10 – 13</li> <li>• Financial Statements, pages 71 – 130</li> <li>• Sustainability Report, page 25</li> </ul>
<b>Occupational Health and Safety (including Effluents and Waste)</b>	 	Sustainability Report, pages 26 – 27
<b>Talent Retention (including Training and Education)</b>		Sustainability Report, pages 27 – 30
<b>Research and Development/ Innovation</b>		Sustainability Report, pages 30 – 31
<b>Customer Privacy</b>		Sustainability Report, page 31
<b>Product Quality and Safety</b>		Sustainability Report, page 32
<b>Socioeconomic Compliance</b>		Sustainability Report, page 33

Legend:

 Economic    Environmental    Social    Governance

## STAKEHOLDERS' ENGAGEMENT

Biolidics recognises that communicating with our stakeholders allows us to further develop and refine our business strategies and respond quickly and effectively to their concerns and needs. Stakeholders' engagement is carried out through various communication channels and methods as depicted in the table below:

Stakeholders	Key Topics and Concerns	Engagement Methods	Frequency of Engagement
Customers 	<ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Customer needs</li> <li>User experience</li> </ul>	<ul style="list-style-type: none"> <li>Contact form on Biolidics' website</li> <li>Product promotions</li> <li>Customer and technical support</li> </ul>	When applicable
Technology partners 	<ul style="list-style-type: none"> <li>Market and industry trends</li> <li>Long-term partnership</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings and follow-ups</li> <li>Partner support channel</li> <li>Technical updates</li> </ul>	Throughout the year
Employees 	<ul style="list-style-type: none"> <li>Training and development of employees</li> <li>Recruitment and retention of skilled employees</li> <li>Well-being of employees</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings and briefings</li> <li>Employee performance review</li> <li>Training programmes</li> </ul>	Throughout the year
Governments and regulators 	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and consultations</li> <li>License applications and regulatory filings</li> <li>Responding to requests for information (e.g. through surveys)</li> </ul>	Throughout the year
Shareholders 	<ul style="list-style-type: none"> <li>Biolidics' financial performance</li> <li>Good corporate governance</li> <li>Sustainable business growth</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Announcements of material information, including financial performance, through SGXNET and Biolidics' website</li> </ul>	Periodically

## ECONOMIC PERFORMANCE

For more information regarding our economic performance for FY2020, please refer to the Operations and Financial Review section (pages 10 – 13) and Financial Statements section (pages 71 – 130) of this annual report.

# SUSTAINABILITY REPORT

## SOCIAL AND ENVIRONMENTAL

### Occupational Health and Safety (including Effluents and Waste)

FY2020 Performance
<ul style="list-style-type: none"> <li>In FY2020, there were no workplace injuries or fatalities.</li> </ul>
FY2021 Target
<ul style="list-style-type: none"> <li>Maintain zero fatalities and workplace injuries in FY2021.</li> </ul>

### Occupational Health and Safety

Biolidics recognises that a workplace that fosters a safety and healthy environment is important in ensuring that employees are safe, healthy, satisfied and engaged at work. Committed employees are imperative for Biolidics to achieve our growth objectives; and hence, we engage with our workforce to continuously innovate and improve our technology.

Safety is of utmost importance to Biolidics. Our activities currently require the controlled use of potentially harmful biological materials and chemicals such as cancer cell lines and formaldehyde. There is a risk of accidental contamination or injury to employees or third parties from the handling, use and disposal of these materials and chemicals. Therefore, having a strong safety culture in the workplace is key to protecting our people. The minimisation of safety-related issues will also translate to a reduction in business disruption and protect our reputation.

Proper treatment and disposal of biological waste is also essential to Biolidics to prevent any potential contamination or injury to employees or third parties. Hence, we comply with the following policies and processes:

- Guidelines from Ministry of Health (“MOH”), Singapore;
- Workplace Safety and Health Act, Chapter 354A of Singapore and the regulations thereunder;
- Environmental Public Health Act, Chapter 95 of Singapore (the “**Environmental Public Health Act (Toxic Industrial Waste) Regulations**”) and the regulations thereunder; and
- Guidelines from MOH: Biosafety and Biosecurity Manual, Housekeeping and General Maintenance, Decontamination and waste management.

Biolidics also provides regular training to educate our employees on the potential health and safety risks hazards in the work environment, and the proper precautions to take to prevent any accidents.

In FY2020, Biolidics’ absenteeism rates for male and female employees were at an average of 1.1 days and 2.4 days per annum respectively, whilst the absenteeism rates for employees in Singapore and China were at an average of 2.0 days and 0 days per annum respectively, and the average absenteeism rate for all employees was at 1.7 days per annum.

In FY2020, we are proud to report that there were no cases of work-related injury and fatalities for all employees. We aim to maintain zero fatalities and zero workplace injuries in FY2021.

## Effluents and Waste

At Biolidics, we maintain our duty to dispose our waste responsibly, especially toxic waste as it can cause harm to the environment and the health and safety of people.

We adhere to the Environmental Public Health Act (Toxic Industrial Waste) Regulations which require all our authorised waste collectors to be licensed. The license will be granted on the condition that:

- The toxic waste treatment, storage and disposal facility owned by the collector is in a suitable industrial area outside water catchment;
- The types and quantities of toxic wastes are commensurate with the treatment processes and disposal facilities; and
- Adequate measures such as containment areas, leak detection and warning devices, proper emergency action plans, neutralising agents, handling gear, absorbent material, etc. are provided to prevent and mitigate any accidental release of the toxic wastes.

## SOCIAL

### Talent Retention (including Training and Education)

FY2020 Performance
<ul style="list-style-type: none"> <li>• In FY2020, our employees achieved an average of 24 training hours.</li> </ul>
FY2021 Target
<ul style="list-style-type: none"> <li>• All permanent employees to complete at least 20 hours of training per year, in order to achieve the adequate level of training for their scope of work.</li> </ul>

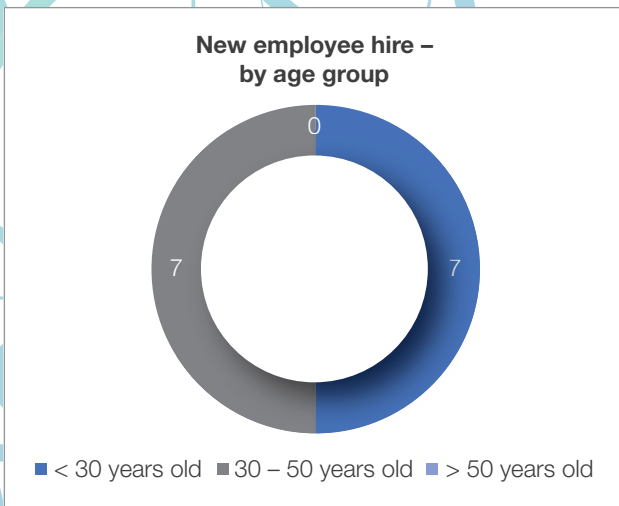
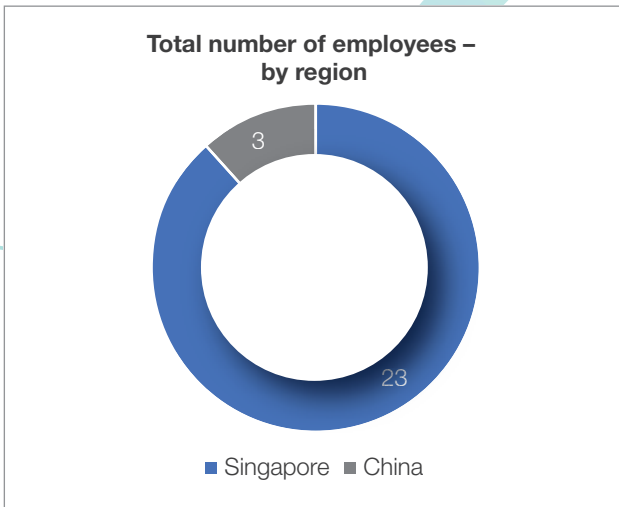
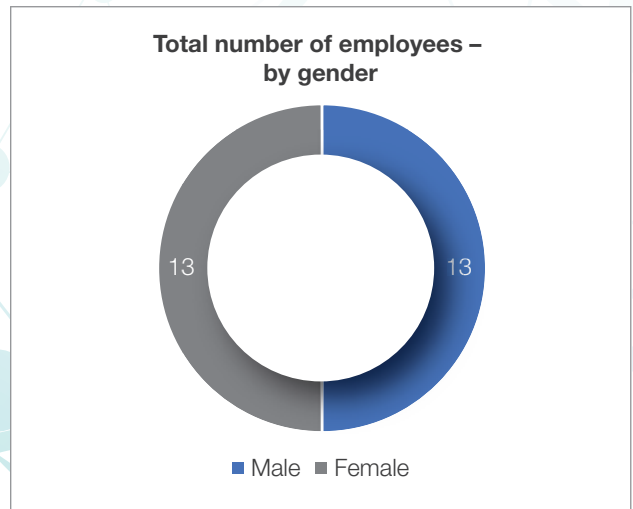
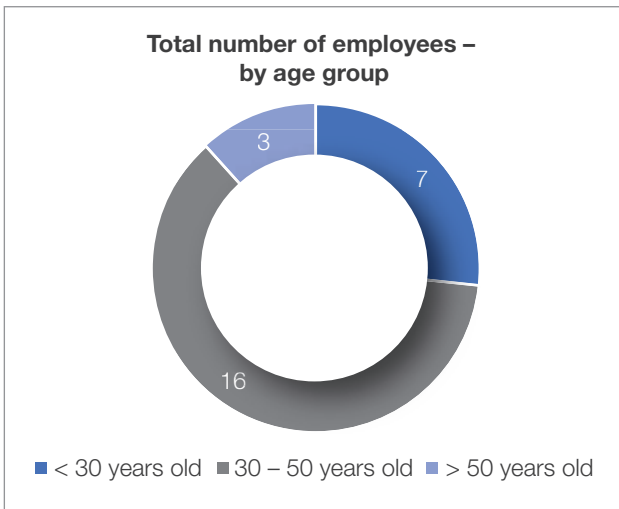
At Biolidics, we believe that technically skilled professionals are central and crucial for our business to remain relevant in today's changing landscape. To achieve this, we aim to develop and retain competent employees and provide an inclusive and nurturing work culture to ensure the quality of our business operations. We have regular townhall meetings for our leadership team to provide updates to our employees as well as to understand our employees' needs.

Furthermore, we have the Biolidics Performance Share Plan (the "**Plan**") where the primary objective of the Plan is to retain employees whose contributions are essential to the well-being and success of Biolidics, and to give recognition to outstanding employees who have contributed to the growth of our Company. Eligible participants under the Plan will have the opportunity to participate in the equity of Biolidics, therefore inculcating a stronger sense of identity with our long-term success. This will help in promoting organisational commitment, dedication and loyalty of these employees to Biolidics.

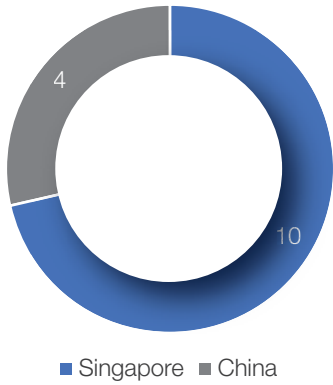
In FY2020, Biolidics' workforce totalled 26 permanent and full-time employees, with 88% and 12% being employed in Singapore and China respectively. Male and female employees each represented 50% of the employee base. For FY2020, the average monthly new employee hiring rate and the average monthly employee turnover rate were at 4.5% and 3.2% respectively.

# SUSTAINABILITY REPORT

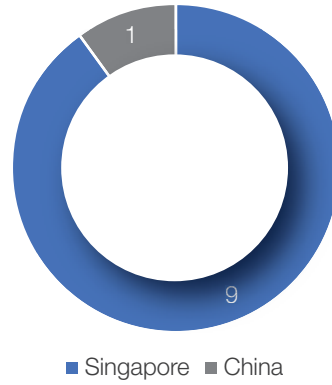
FY2020



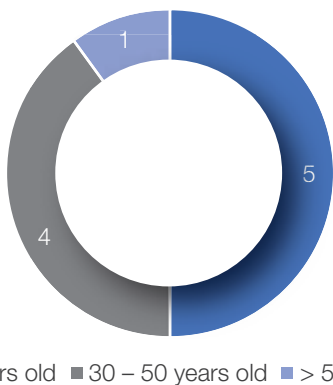
**New employee hire – by region**



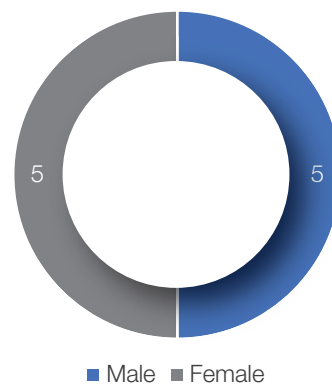
**Turnover – by region**



**Turnover – by age group**



**Turnover – by gender**



# SUSTAINABILITY REPORT

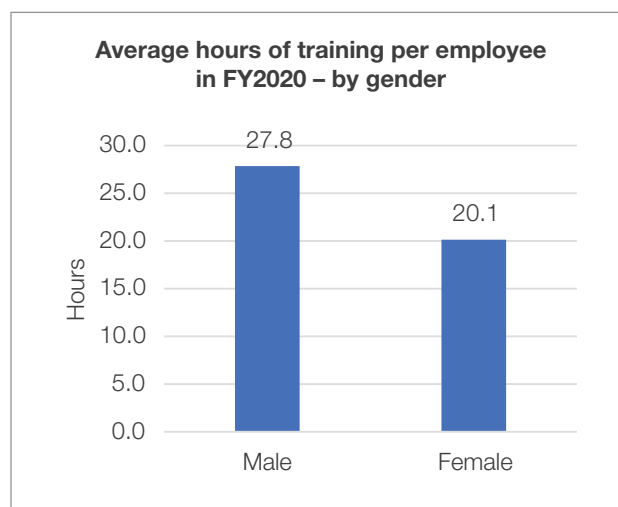
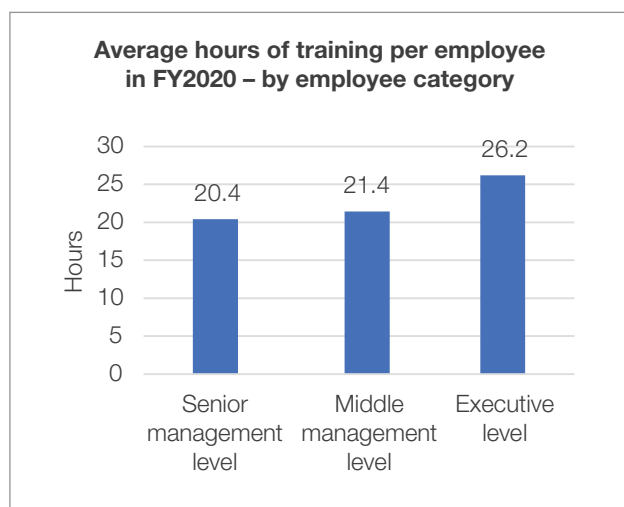
## Training and Education

Biolidics believes in investing and strengthening our employees' technical, functional and behavioural competencies in line with their job requirements and career aspirations. This is done by providing learning and development opportunities to our employees. These opportunities can be in the form of on-the-job training, internal trainings and continuing education programmes.

We have developed a standard operating procedure within the ISO 13485:2016<sup>1</sup> framework to identify training needs, execute training programs and maintain records of training to ensure proper assignment of job functions to our employees.

Any additional training needs are identified and reviewed annually, and we encourage our employees to acquire new skills and keep abreast of developments in their respective fields. Employees are given opportunities to attend external courses or trainings that are relevant or will assist in their scope of work. Employees are also encouraged to further their studies and funding support may be provided to them on a case-by-case basis. We monitor training progress by maintaining training records for all our employees.

In FY2020, our employees achieved an average of 24<sup>2</sup> training hours.



## RESEARCH AND DEVELOPMENT/INNOVATION

### FY2020 Performance

- In FY2020, Biolidics entered into collaborations with several partners, which includes LC-Bio and Accelerate Technologies Pte Ltd.

### FY2021 Targets

- Further enhance collaboration with new and existing partners.
- Enter collaboration with new partners for identified objectives.

<sup>1</sup> ISO 13485:2016 – Medical devices – Quality management systems – Requirements for regulatory purposes

<sup>2</sup> Number has been rounded up



Biolidics' ability to identify and develop innovative technology and products has contributed to the development and growth of the Group. Biolidics strives to utilise its novel, patented technology to create a platform technology in cancer diagnostics which may enable applications throughout various stages of a patient's cancer journey – from cancer screening and staging to personalised treatment, and post-cancer monitoring. At the same time, Biolidics seeks to identify and develop third party technologies and know-hows with a focus in developing a portfolio of innovative diagnostic solutions to lower healthcare costs and improve clinical outcomes.

Biolidics' policy on our innovation/invention and patent protection provides a foundation to exhibit the organic technological innovation capabilities of our Group and highlight the technical capabilities of our Group for joint technical development projects with our technology partners. We encourage members of our technical team to provide innovation/invention disclosures when an innovation/invention can be potentially patented.

In FY2021, we aim to enter and further enhance our strategic collaborations with our existing and new partners with the objective to strengthen our Group's innovative expertise and product portfolio.

## CUSTOMER PRIVACY

<b>FY2020 Performance</b>
<ul style="list-style-type: none"> <li>In FY2020, there were no known substantiated complaints concerning breaches of customer privacy and no known cases of identified leaks, thefts or losses of customer data.</li> </ul>
<b>FY2021 Target</b>
<ul style="list-style-type: none"> <li>Maintain zero known cases concerning breaches of customer privacy, identified leaks, thefts or losses of customer data.</li> </ul>

Biolidics is committed to safeguarding the privacy and confidentiality of all our customers' data. Keeping our customers' classified data safe is recognised as an essential factor for our sustainable growth.

Biolidics adheres to and upholds the provisions of the Personal Data Protection Act 2012 ("**PDPA**") as we seek to use our patients' data to serve them responsibly. Within the laboratory, patients' consent is obtained for the collection, use and disclosure and processing of personal data for healthcare and related use only. Individuals are notified via forms for collection of personal data, and consent would be obtained prior to the collection. Should a request for a transfer of patient data arise, the data is transferred to other referral laboratories or other service providers via email in a password-protected zip file or via any encrypted program or link requested by the client. We collect the minimum amount of information absolutely needed in providing our services.

Entry to our laboratories is restricted to access pass holders and the storage area for patient reports and data is restricted to authorized personnel. As a means of preventing the leakage of private and confidential information, a Laboratory Information Management System is in place and information and patient data are securely stored and encrypted.

Biolidics aims to continue to strengthen our internal monitoring efforts in safekeeping of personal data of our customers and ensure that our Group's procedures are up to date with the latest regulations.

# SUSTAINABILITY REPORT

## PRODUCT QUALITY AND SAFETY

FY2020 Performance
<ul style="list-style-type: none"> <li>Customer satisfaction survey: 71% average rating in customers' satisfaction with the ClearCell® FX1 System from 2 customers who responded to the survey.</li> <li>Product quality: 100% pass rate for the ClearCell® FX1 System prior to release. There were 0% of CTChip® FRI biochip failure due to leaky chip.</li> <li>Customer feedback response time: 100% customer feedbacks/complaints acknowledged within 7 days.</li> <li>Corrective action preventive action ("CAPA") response time: CAPA Investigations were delayed due to inefficiency in existing procedures of our ISO 13485: 2016 Quality Management System policies. We are reviewing and making improvements to these procedures to ensure that our target can be achieved in FY2021.</li> <li>Field safety corrective action: Zero product recall.</li> </ul>
FY2021 Targets
<ul style="list-style-type: none"> <li>Customer satisfaction survey: To achieve at least 80% average rating in customers' satisfaction with the ClearCell® FX1 System from at least 10 customers.</li> <li>Product quality: 100% pass rate for the ClearCell® FX1 System prior to release. Less than 5% CTChip® FRI biochip failure due to leaky chip.</li> <li>Customer feedback response time: 100% customer feedbacks/complaints to be acknowledged within 7 days.</li> <li>CAPA response time: CAPA investigation to be completed within 1 month and implementation of proposed CAPA actions within 3 months.</li> <li>Field safety corrective action: To achieve zero product recall.</li> </ul>

Biolidics takes product quality and safety seriously. Providing products that meet the required quality and safety standards is part of our top priority. By maintaining a high product quality and safety, Biolidics also minimises the risk of injury to users and thus, reduces the risk of a product liability claim. A product liability lawsuit (which may result in the recall of products or termination of existing agreements by business partners) could damage Biolidics' reputation, operations and financial performance.

We are governed by the policies of ISO 13485: 2016 Quality Management System and the guidelines on procedures for the control of records and documents, resource management, product realisation and the monitoring of processes. The following processes are monitored by Biolidics:

- Annual internal audit;
- Engage external auditors to conduct annual audit of quality management system to ensure compliance to ISO 13485: 2016;
- Annual audits of contract manufacturers;
- Supplier evaluations with annual re-assessment done;
- Investigation of non-conforming products, and establishing relevant corrective and preventive actions;
- Quality report log used to track feedback/complaints for products;
- Standardised design and development process to evaluate product's safety and performance; and
- Design and process risk management plans done for all official products under the ISO 13485 framework.

Constant quality reporting and CAPA are used to monitor and address any non-conformances of our products. Regular management meetings are also conducted to review quality objectives and outstanding non-conformance issues.

## GOVERNANCE

Maintaining public trust is of utmost priority to any company; and Biolidics is committed to upholding high ethical standards and integrity in its operations, complying with all laws and regulations in its location of operations.

### Socioeconomic Compliance

<b>FY2020 Performance</b>
<ul style="list-style-type: none"> <li>• Zero instance of non-compliance with laws and regulations in the social and economic area.</li> </ul>
<b>FY2021 Targets</b>
<ul style="list-style-type: none"> <li>• Zero non-compliance with laws and regulations in the social and economic area.</li> <li>• Continue to conduct social and economic compliance training for all new hires in FY2021.</li> </ul>

Biolidics' products and business activities are regulated by various laws and regulations governing medical devices in the countries it markets and sell its products in. Biolidics is subjected to extensive supervision by governments and other agencies in various aspects of our operations, including licensing and certification requirements, product registration requirements, quality and safety standards, periodic renewal and reassessment procedures. Any breach of applicable laws and regulations may cause disruptions to operations and fines in any particular jurisdiction; hence it is important for Biolidics to comply with various laws and regulations in the social and economic area.

Biolidics is committed to providing innovative high-quality biomedical products and services that meet or exceed the expectations of its customers. Biolidics aims to do so by:

- Meeting and complying with all regulatory requirements of the countries where the product is being sold as per the ISO 13485:2016 requirements;
- Maintaining the effectiveness of our Quality System and Risk Management in line with ISO 13485:2016 requirements;
- Maintaining a shared quality vision and a focus on continuous improvement to our products, processes and services (including delivery);
- Understanding the requirements and meeting the needs of our partners and customers;
- Training employees in the delivery of quality products and services; and
- Providing a competent, ethical and fiscally sound management team to ensure growth and long-term stability.

To ensure that our employees are aware of the relevant regulatory requirements, we have made the above activities part of the employee training program.

In FY2020, we are proud to report that there were zero instances of non-compliance with laws and regulations in the social and economic area. In FY2021, we aim to continue to have zero non-compliance with laws and regulations in the social and economic area and to continue providing socioeconomic compliance training for all new hires.

# CORPORATE GOVERNANCE

The Board is committed to achieving and maintaining high standards of corporate governance in managing its business and affairs, so as to improve the performance, accountability, and transparency of the Group.

For FY2020, the Board has reviewed its corporate governance practices and ensured that they are in compliance with the applicable provisions of the Code of Corporate Governance 2018 (the “**Code**”) issued by the Monetary Authority of Singapore.

This corporate governance report sets out how the Company has applied the principles of good corporate governance in a disclosure-based regime where the Board’s accountability to the Company’s shareholders (“**Shareholders**”) and the Company’s management’s (“**Management**”) accountability to the Board provides a framework for achieving a mutually beneficial tripartite relationship aimed at creating, enhancing and growing sustainable Shareholders’ value.

The Company has substantially complied with the principles and guidelines as set out in the Code. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

## BOARD MATTERS

### Principle 1 The Board’s Conduct of Affairs

*The Company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the Company.*

#### **Composition of the Board**

As at the date of this annual report, the Board comprises the following directors (“**Directors**”)\*:

Yee Pinh Jeremy	Non-Executive Non-Independent Chairman
Chen Johnson	Non-Executive Non-Independent Director and Founder
Leong Yow Seng	Lead Independent Director
Ong Hsien Chih, James (Weng Xianzhi, James) <sup>#</sup>	Independent Director
Toh Shih Hua <sup>#</sup>	Independent Director
Chia Beng Kwan	Independent Director
Kong Chee Keong	Independent Director

\* *Peter Koh Heng Kang resigned as an Independent Director on 10 December 2020 and Lew Kwang Ping resigned as the Executive Director and CEO on 22 January 2020*

# *Ong Hsien Chih, James (Weng Xianzhi, James) and Toh Shih Hua will be retiring and will not be seeking re-election as Directors at the forthcoming annual general meeting to be held on 30 April 2021 (“**AGM**”).*

#### **Role of the Board**

The Board is committed to achieving and maintaining high standards of corporate governance and the Company sets out principles and general guidelines for the Directors who are required to abide by any applicable laws or legislation, including the Catalyst Rules and the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”). This set of principles and guidelines covers aspects such as Board composition and balance, Board diversity, tenure, maximum number of directorships, Board member selection, code of conduct for the avoidance of conflicts of interest, and dealing in the shares of the Company (“**Shares**”).

# CORPORATE GOVERNANCE

The Board is entrusted to lead and oversee the Company, with the fundamental principle to objectively discharge their duties and responsibilities at all times as fiduciaries acting in the best interests of the Company. In addition to its statutory duties, the Board's principal functions are to:

- provide entrepreneurial leadership and set the corporate strategies of the Company. This includes setting the direction and goals for Management;
- ensure that the necessary resources are available for the Company to meet its strategic objectives;
- establish and maintain a framework of prudent and effective controls, which enables risks to be assessed and managed, including safeguarding of Shareholders' interest and the Company's assets;
- supervise, monitor and review Management's performance against the goals set to enhance Shareholders' value;
- identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- instill an ethical corporate culture and ensure that the Group's values and standards (including ethical standards), policies and practices are consistent with the culture and ensure that obligations to Shareholders and other stakeholders are understood and met;
- consider sustainability issues, e.g. environmental and social factors, as part of its strategy formulation process; and
- oversee the overall corporate governance of the Company.

All Directors are required to objectively discharge their duties and responsibilities in the best interests and benefit of the Company. Directors and the chief executive officer ("**CEO**") who are in any way, directly or indirectly, interested in a transaction or proposed transaction, including those identified within the Code and provisions of the Companies Act shall declare the nature of their interests and recuse himself or herself from such discussions and decisions on the matter.

## Delegation by the Board

The Board has delegated certain responsibilities to the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**NC**") (collectively, the "**Board Committees**"). The Board accepts that while these Board Committees have the authority to examine specific issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

## Composition of the Board Committees

As at the date of this annual report, the composition of the Board Committees are as follows:

Board Committee Designation	AC	NC	RC
Chairman	Toh Shih Hua <sup>#</sup>	Ong Hsien Chih, James (Weng Xianzhi, James) <sup>#</sup>	Leong Yow Seng
Members	Leong Yow Seng Ong Hsien Chih, James (Weng Xianzhi, James) <sup>#</sup>	Chen Johnson Leong Yow Seng	Yee Pinh Jeremy Toh Shih Hua* <sup>#</sup>

\* Peter Koh Heng Kang resigned as an Independent Director and ceased to be a member of the RC on 10 December 2020. Accordingly, Toh Shih Hua was appointed as a member of the RC on 10 December 2020.

# Ong Hsien Chih, James (Weng Xianzhi, James) and Toh Shih Hua will be retiring and will not be seeking re-election as Directors at the forthcoming AGM. Accordingly, Toh Shih Hua will cease to be the Chairman of the AC and a member of the RC, and Ong Hsien Chih, James (Weng Xianzhi, James) will cease to be the Chairman of the NC and a member of the AC. As at the date of this annual report, the Board and the NC are in the process of reviewing its composition, and the memberships and Chairman appointments of the various Board Committees.

# CORPORATE GOVERNANCE

## **Board Meetings and Attendance**

The attendance of the Directors at the Board and Board Committee meetings for FY2020 is as follows:

Name	Board	AC	NC	RC
	Number of meetings held: 4	Number of meetings held: 4	Number of meetings held: 1	Number of meetings held: 2
	Number of meetings attended	Number of meetings attended	Number of meetings attended	Number of meetings attended
Yee Pinh Jeremy	4	NA	NA	2 (Member)
Chen Johnson	4	NA	1 (Member)	NA
Leong Yow Seng	4	4 (Member)	1 (Member)	2 (Chairman)
Ong Hsien Chih, James (Weng Xianzhi, James)	4	4 (Member)	1 (Chairman)	NA
Peter Koh Heng Kang*	4	NA	NA	2 (Member)
Toh Shih Hua <sup>#</sup>	4	4 (Chairman)	NA	0 (Member)
Lew Kwang Ping <sup>&amp;</sup>	NA	NA	NA	NA

NA – Not Applicable

\* Peter Koh Heng Kang resigned as an Independent Director and ceased to be a member of the RC on 10 December 2020

# Toh Shih Hua was appointed as a member of the RC on 10 December 2020

& Lew Kwang Ping resigned as the Executive Director and CEO on 22 January 2020

All Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors. To ensure meetings are held regularly with Directors' participation, the Company's constitution (the "**Constitution**") allows for meetings to be held through telephone and video conference. The Company ensures that telephonic and screen sharing facilities are made available for Directors to attend the meetings.

Regular meetings are held by the Board to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results. The Board will also convene additional meetings for particular matters as and when they are deemed necessary.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion which the Board uses to measure Directors' contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Company.

The day-to-day operations of the Group are entrusted to the Interim CEO who is assisted by an experienced and qualified team of key management personnel.

# CORPORATE GOVERNANCE

## ***Material Transactions Requiring Board Approval***

The Company has in place policies for the approval of, among others, investments and divestments, interested persons transactions and cash management. Such material transactions are specifically reserved for the Board's consideration and approval. The Company has also set out clear directions to Management in relation to such material transactions that are subject to the Board's approval.

In this regard, matters that require the Board's approval include, among others, the following:

- overall Group business and budget strategies;
- capital expenditures exceeding certain material limits;
- investments or divestments;
- all capital-related matters including capital issuance;
- significant policies governing the operations of the Group;
- corporate strategic development and restructuring;
- interested person transactions exceeding S\$100,000; and
- risk management strategies.

## ***Formal Appointment Letter to Each Director***

The Company has provided each Director and will provide each new Director with a formal letter of appointment setting out the Director's roles, duties, obligations, and responsibilities, as well as expectations of the Company.

## ***Board Induction and Training***

All newly appointed Directors will undergo an orientation programme where the Directors are briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Directors will also be given the opportunity to visit the Group's operational facilities and meet with Management, whenever required.

All first-time Directors who have no prior experience as a director of a company listed on the SGX-ST are required to attend the mandatory training as prescribed in the Catalist Rules.

The Board values on-going professional development and recognises that it is important that all Directors receive regular training(s) so as to be able to serve effectively on and contribute to the Board. To this end, the Company encourages continuous professional development for its Directors and funds such trainings.

Furthermore, Directors are regularly updated with the latest professional developments in relation to the Catalist Rules and other applicable regulatory updates or amendments to relevant laws, rules and regulations to ensure compliance.

# CORPORATE GOVERNANCE

## **Access to Information**

Management recognises that the flow of complete, adequate and timely information on an ongoing basis to the Board is essential to the Board's effective and efficient discharge of its duties. To allow Directors sufficient time to prepare for the meetings, all scheduled Board and Board Committee meeting materials are distributed to Directors at least 5 working days in advance of the meetings. This allows Directors to focus on questions or raise issues which they may have at the meetings. Any additional material or information requested by the Directors is promptly furnished. The Board has unrestricted access to the Company's records and information.

To facilitate direct and independent access to the key management personnel, Directors are also provided with their contact details.

## **Role of the Company Secretary**

Directors have separate and independent access to the Company Secretary, at the Company's expense, at all times. The Company Secretary is responsible for, among other things:

- advising the Board on all corporate and administrative matters;
- facilitating orientation and assisting with professional development as required;
- attending all board meetings; and
- ensuring that Board procedures are observed and that the Constitution, relevant rules and regulations, including requirements of the Companies Act and the Catalist Rules are complied with.

The appointment and removal of the Company Secretary is a decision of the Board as a whole.

## **Independent Professional Advice**

Directors, either individually or as a group, in the furtherance of their duties, may take independent professional advice, if necessary, at the Company's expense.

## **Principle 2 Board Composition and Guidance**

*The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.*

### **Independent Directors**

As at the date of this annual report, the Board comprises 7 Directors, 5 of whom are independent, which complies with the Code's guideline which requires independent directors to make up a majority of the board where the chairman is not independent.

Leong Yow Seng has also been appointed as the Lead Independent Director to represent the views of Independent Directors, and to facilitate a two-way flow of information between the Board and Shareholders, or other stakeholders of the Company. He also makes himself available at all times when Shareholders have concerns and for which normal channels of the Chairman, Interim CEO or Financial Controller (the "FC") have failed to resolve or are inappropriate and to resolve conflicts of interests as and when necessary.

### **Review of Directors' Independence**

The Company has in place a policy for the Board whereby Directors should refrain from having any conflicts of interests with the Company to ensure that their duty to act in the best interests of the Company is not compromised. Directors must immediately report any conflicts of interests that have occurred or may possibly occur as soon as the Director is aware of such potential or actual conflict of interest.



## CORPORATE GOVERNANCE

The NC reviews the independence of the Independent Directors annually. The Board and the NC take into account the conduct of relevant Directors, as well as the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent.

The NC has reviewed and confirmed the independence of Independent Directors in accordance with the Code. The Independent Directors have no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company.

### ***Duration of Independent Directors' Tenure***

There is no Independent Director who has served beyond nine years since the date of his first appointment.

### ***Board Diversity Policy***

As at the date of this annual report, the Board comprises 7 Directors, comprising 2 Non-Executive Non-Independent Directors and 5 Independent Directors, who have the appropriate mix of core competencies and diversity of experience, to direct and lead the Company.

The composition of the Board will be reviewed on an annual basis by the NC to ensure compliance with the Code, and that the Board has the appropriate balance and diversity of skills, experience, gender, age, and knowledge. The Board collectively possesses the necessary core competencies for effective functioning and decision-making.

The Board's objective in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Company. In addition, the Board places emphasis on ensuring gender representation and diversity. As at the date of this annual report, the Board has 1 female Director, Toh Shih Hua. While Toh Shih Hua will be retiring and will not be seeking re-election at the forthcoming AGM, the Company is also receptive to achieving greater gender diversity and representation on the Board in appointing other female Director(s) in the future, should there be suitable candidates.

The Board is of the view that the current board size is appropriate to effectively facilitate decision making in relation to the operations of the Company, taking into account the nature and scope of the Group's operations. The Board believes that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Company. The NC is also of the view that the current Board members comprise persons with a broad range of expertise and experience in diverse areas including accounting, finance, legal, business and management, technology, strategic planning and medical-related business experience.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

To meet the challenges of the changing landscapes in which the Company operates, such reviews and evaluations, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies, would be done on a periodic basis to ensure that the Board dynamics remain optimal.

# CORPORATE GOVERNANCE

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

### ***Non-Executive Director Meetings in Absence of Management***

Non-Executive Directors constructively challenge and help develop proposals on strategies and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. In addition, the Non-Executive Directors meet regularly in the absence of Management to discuss concerns or matters such as overall Group business strategies and investments. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

### **Principle 3 Chairman and Chief Executive Officer**

*There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.*

### ***Segregation of the Role of Chairman and the Interim CEO***

The roles of the Chairman and the interim CEO are separate to ensure a clear division of their authority and responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Chairman is not related to the interim CEO.

The Chairman leads the Board discussions and ensures the effectiveness of the Board. He ensures that Board meetings are convened when necessary. He sets the Board's meeting agenda and ensures the quality, adequacy and timeliness of the flow of information between the Board and Management to facilitate efficient decision making. He also chairs the Board meetings and encourages the Board members to present their views on topics under discussion at the meetings. He also assists in ensuring compliance with the Company's guidelines on corporate governance.

The interim CEO is responsible for the overall management, operations, strategic planning and business development of the Group. He also ensures that the Directors are kept updated and informed of the Group's businesses.

### ***Lead Independent Director***

Given that the Chairman is not independent, the Board has appointed Leong Yow Seng as the Lead Independent Director. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating the flow of information between the Board and Shareholders, or other stakeholders of the Company. The Lead Independent Director makes himself available to Shareholders at the Company's general meetings.

The Board is of the view that given the current composition of the Board, there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on the shared agreement without any individual exercising any significant power or influence.

### ***Independent Directors Meetings in Absence of Other Directors***

To facilitate well-balanced viewpoints on the Board, the Lead Independent Director will, where necessary, chair meetings with the Independent Directors without the involvement of other Directors, and the Lead Independent Director will provide feedback to the Chairman after such meetings.

# CORPORATE GOVERNANCE

## **Principle 4 Board Membership**

*The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.*

### **Nominating Committee**

As at the date of this annual report, the NC comprises 3 members, a majority of whom including the Chairman, are Independent Directors. The Lead Independent Director is a member of the NC. The members of the NC are as follows:

Ong Hsien Chih, James (Weng Xianzhi, James)*	Chairman
Chen Johnson	Member
Leong Yow Seng	Member

\* *Ong Hsien Chih, James (Weng Xianzhi, James) will be retiring and will not be seeking re-election as a Director at the forthcoming AGM. Accordingly, he will cease to be Chairman of the NC. As at the date of this annual report, the Board and the NC are in the process of reviewing its composition, and the memberships and Chairman appointments of the various Board Committees.*

The NC is guided by written terms of reference, of which the key terms of reference are as follows:

- (a) review succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel, and the appointment and re-appointment of Directors, in accordance with the Constitution, and taking into account, among others, the Directors' contribution and performance;
- (b) determine on an annual basis whether or not a Director is independent;
- (c) ensure that new Directors are aware of their duties and obligations;
- (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/or discharging his duties towards other principal commitments outside the Group;
- (e) review the training and professional development programs for the Board;
- (f) review the Directors' mix of skills, experience, core competencies and knowledge of the Company that the Board requires to function competently and efficiently;
- (g) determine and recommend to the Board the maximum number of listed company board representations which any Director may hold and disclosing this in the annual report;
- (h) develop a process and criteria for evaluation of the performance of the Board as a whole and its committees, and assess the contribution of each Director to the effectiveness of the Board; and
- (i) such other responsibilities as may be required by statute and/or the Catalist Rules and/or as recommended by the Code, and by such amendments made thereto from time to time.

### **Board Representations**

The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his directorships in other listed companies and other principal commitments. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively, whilst taking into consideration the number of listed company board representations each Director may hold.

The considerations in assessing the capacity of Directors include the following:

- expected and/or competing time commitments of Directors;
- size and composition of the Board; and
- nature and scope of the Group's operations and size.

# CORPORATE GOVERNANCE

The NC takes into consideration the following measures and evaluation tools in its assessment of competing time commitments of Directors:

- declarations by each Director of their directorships in other listed companies and other principal commitments;
- annual confirmation by each Director on his ability to devote sufficient time and attention to the Group's affairs, having regard to his other commitments; and
- assessment of each Directors' performance based on the pre-determined criteria.

The NC has reviewed the devotion of time and resources by each of the Directors to the Group's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that the Directors have been able to devote sufficient time and resources to the matters of the Group.

The Board has deliberated and set the maximum number of listed company board representations which any Director may hold to be 5. This is to ensure the Directors have sufficient time and attention to adequately perform their role. As at the date of this annual report, none of the Directors holds more than 5 listed company board representations.

## **Board Nomination Process**

The Board has adopted the following nomination process for the Company for selecting and appointing new Directors and re-electing incumbent Directors:

### **Process for the selection and appointment of new Directors:**

- |    |                                      |  |
|----|--------------------------------------|--|
| 1. | Determination of selection criteria  | • The NC, in consultation with the Board, will identify the current needs of the Board in terms of skills, experience and knowledge to complement and strengthen the Board and increase its diversity.   |
| 2. | Search for suitable candidates       | • The NC will consider candidates drawn from the contacts and networks of existing Directors and may approach relevant institutions such as the Singapore Institute of Directors, professional organisations or business federations to source for a suitable candidate. |
| 3. | Assessment of shortlisted candidates | • The NC will meet and interview the shortlisted candidates to assess their suitability.   |
| 4. | Appointment of Director              | • The NC will recommend the selected candidate to the Board for consideration and approval.  |

### **Process for the re-election of incumbent Directors:**

- |    |                            |   |
|----|----------------------------|---|
| 1. | Assessment of Director     | <ul style="list-style-type: none"> <li>• The NC will assess the performance of the Director in accordance with the performance criteria set by the Board.</li> <li>• The NC will also consider the current needs of the Board.</li> </ul> |
| 2. | Re-appointment of Director | • Subject to the NC's satisfactory assessment, the NC will recommend the proposed re-appointment of the Director to the Board for consideration and approval.   |

## CORPORATE GOVERNANCE

The Constitution requires that at least one-third of the Board (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM. A retiring Director is eligible for re-election at the AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

Ong Hsien Chih, James (Weng Xianzhi, James) and Toh Shih Hua will be retiring as Directors pursuant to Regulation 97 of the Constitution and will not be seeking re-election as Directors at the forthcoming AGM.

Each member of the NC has abstained from voting on any resolutions and making recommendations and/or participating in respect of matters in which he has an interest.

### ***Continuous Review of Director's Independence***

The Independent Directors have declared their independence for FY2020 in accordance with the Code. Following its annual review, for FY2020, the NC considered Leong Yow Seng, Toh Shih Hua and Ong Hsien Chih, James (Weng Xianzhi, James) to be independent.

For FY2020, the Independent Directors have confirmed their independence and that they have no relationship with the Company, its related corporations, its substantial Shareholders or its officers.

### ***Directors' Time Commitment***

During FY2020, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group and is of the opinion that the Directors are able to and were been adequately carrying out his or her duties as a Director, notwithstanding that some of the Directors have multiple board representations. None of the Directors had appointed an alternate director in FY2020.

### ***Directors' Key Information***

Key information regarding the Directors such as their date of first appointment and directorship(s) held presently and in the past 3 preceding years in other listed companies are set out on pages 14 – 17 of this annual report.

# CORPORATE GOVERNANCE

## **Principle 5 Board Performance**

*The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors*

### **Performance Criteria**

The Board has established processes to be carried out by the NC, for monitoring and evaluating the performance of the Board as a whole and that of each Board Committees and effectiveness and contribution of individual Directors. At the same time, the processes also identify areas where improvements can be made. This will then allow the Board and individual Directors to direct more effort in those areas for achieving better performance of the Board and better effectiveness of individual Directors.

The NC will evaluate the Board's performance covering areas that include, among others, size and composition of the Board, Board's access to information, Board processes, strategic planning and accountability.

The NC shall also review the overall performance of the Board Committees in terms of their roles and responsibilities and the conduct of their affairs as a whole.

The NC may also engage an external facilitator for the evaluation process where necessary.

The review of the performance of the Board will be conducted by the NC annually. The review of the performance of each Director is also conducted annually and when the individual Director is due for re-election.

The review process of the performance of the Board and the individual Directors is based on the following:

1. each Director will complete a board evaluation questionnaire on the effectiveness of the Board based on the Board's pre-determined criteria;
2. the Company Secretary will collate and submit the questionnaire results to the Chairman of the NC in the form of a report;
3. each Director will send the duly completed confidential individual Director self-assessment checklist to the Chairman of the NC for review; and
4. the NC will discuss the report and the Chairman of the NC will present the results of the performance review during the NC meeting.

All NC members will abstain from the voting or review process of any matter in connection with the assessment of their individual performance. The assessment criteria for individual Director includes, among others, Director's attendance, commitment of time, candour, participation, knowledge and ability, teamwork, and overall effectiveness.

The NC will review the aforementioned criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long-term Shareholders' value. Where circumstances deem it necessary for any of the criteria to be changed, the NC will propose amendments to the Board for approval.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, is of the view that the performance of the Board has been satisfactory in FY2020 and that the Board has met its performance objectives in FY2020. The evaluation process of the overall performance of the Board was conducted without an external facilitator in FY2020.

The Board is of the opinion that a separate assessment on the effectiveness of the Board Committees is not necessary as the Board Committees share common members.

# CORPORATE GOVERNANCE

## REMUNERATION MATTERS

### **Principle 6** Procedures for Developing Remuneration Policies

*The Board has a formal and transparent procedure for developing policies on Director and executive remuneration and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.*

#### **Remuneration Committee**

As at the date of this annual report, the RC comprises 3 members\*, a majority of whom including the Chairman are Independent Directors:

Leong Yow Seng	Chairman
Yee Pinh Jeremy	Member
Toh Shih Hua <sup>#</sup>	Member

\* *Peter Koh Heng Kang resigned as an Independent Director and ceased to be a member of the RC on 10 December 2020. Accordingly, Toh Shih Hua was appointed as a member of the RC on 10 December 2020.*

# *Toh Shih Hua will be retiring and will not be seeking re-election as a Director at the forthcoming AGM. Accordingly, she will cease to be a member of the RC. As at the date of this annual report, the Board and the NC are in the process of reviewing its composition, and the memberships and Chairman appointments of the various Board Committees.*

All members of the RC are Non-Executive Directors.

The RC recommends to the Board a framework of remuneration for the Directors and key management personnel, and determines the specific remuneration package for the Directors and key management personnel. The RC recommendations will be submitted for endorsement by the Board.

## CORPORATE GOVERNANCE

The RC is guided by written terms of reference, of which the key terms of reference as follows:

- (a) to recommend to the Board a framework of remuneration for the Directors and key management personnel;
- (b) to be responsible for the administration of the Company's performance share plan;
- (c) to be responsible for all aspects of remuneration, including, but not limited, to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and benefits-in-kind;
- (d) to review the remuneration of the key management personnel and employees related to the Directors, CEO or substantial Shareholders, if any, to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- (e) to review and approve any bonuses, pay increments and/or promotions for the key management personnel and employees related to the Directors, CEO or substantial Shareholders, if any;
- (f) to seek expert advice from external consultants on remuneration matters, if necessary;
- (g) to review the Company's obligations arising in the event of termination of the contracts of the Executive Directors and key management personnel, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- (h) to be fair and avoid rewarding poor performance; and
- (i) to carry out such other responsibilities as may be required by statute and/or the Catalist Rules, as recommended by the Code, and by such amendments made thereto from time to time.

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.

### ***Remuneration Consultant***

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management, so that the Company remains competitive in this regard. For FY2020, the Company had engaged Aon Consulting (Singapore) Pte Ltd as its independent external remuneration consultant.



# CORPORATE GOVERNANCE

## **Principle 7**      **Level and Mix of Remuneration**

*The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.*

### **Remuneration Structure**

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. The RC also seeks to ensure that the structure of remuneration packages for the Interim CEO and key management personnel are appropriate in linking rewards to corporate and individual performance and that is aligned with the interests of Shareholders and promote the long-term success of the Company. The remuneration of the Directors is also reviewed by the RC to ensure that the remuneration is commensurate with the contribution and responsibilities of the Directors. It ensures that remuneration package is appropriate to attract, retain and motivate the Directors and key management personnel to provide good stewardship of the Company and successfully manage the Company for the long term.

Each Non-Executive Director receives a Director's fee that is appropriate to the level of contribution, and which takes into account factors such as effort, time spent and scope of responsibilities. The fees for the Directors are subject to Shareholders' approval at the forthcoming AGM.

### **Biolidics Performance Share Plan**

The Company has implemented the Biolidics Performance Share Plan (the "**Plan**"). The primary objective of the Plan is to retain employees 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.

Each eligible participant (the "**Participant**") under the Plan will have the opportunity to participate in the equity of the Company, thereby:

- (a) inculcating a stronger sense of identity with the long-term prosperity of the Company;
- (b) promote organisational commitment, dedication and loyalty of Participants towards the Company; and
- (c) motivating Participants to strive towards performance excellence and to maintain a high level of contribution to the Company.

## CORPORATE GOVERNANCE

The Plan also gives recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package, and affords the Company greater flexibility in structuring compensation packages so that the Company is able to 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.

The Plan is administered by the RC.

The RC may decide the eligibility of Participants, the number of awards to be granted (the “**Awards**”) to the Participants and the vesting period of the Awards as the RC may determine, in its absolute discretion, taking into account factors including the Group’s financial performance and the rank, job performance, potential for future development and contribution to the success and development of the Company of the Participant.

The RC may grant Awards in relation to which a performance condition is specified (“**Performance-related Awards**”). In relation to each Performance-related Award, the RC 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 RC 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 the 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.

In FY2020, the Company granted Awards of which up to 7,703,500 Shares will be issued upon the vesting of such Awards (the “**FY2020 Awards**”) to the relevant Participants of the Group under the Plan. 2,521,000 Shares have been allotted and issued on 19 August 2020, pursuant to the vesting of certain FY2020 Awards. Subject to the achievement of predetermined performance targets, (a) up to 1,727,500 FY2020 Awards will vest within 4 months from 1 January 2021; (b) up to 1,727,500 FY2020 Awards will vest within 4 months from 1 January 2022; and (c) up to 1,727,500 FY2020 Awards will vest within 4 months from 1 January 2023.

# CORPORATE GOVERNANCE

## Principle 8 Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

### Directors' Remuneration

The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. Total compensation is pegged to the achievement of organisational and individual performance objectives, and is benchmarked against relevant and comparative compensation in the market.

The remuneration (including salary, bonuses, contributions to the Central Provident Fund, allowances and benefits-in-kind) of each of the Directors and key management personnel are linked to the financial performance of the Group and the individual's performance so as to promote the long-term sustainability of the Group.

The breakdown of the total remuneration of the Directors for FY2020 is as follows:

Name of Director	Salary (%)	Benefits (%)	Bonus (%)	Share-based payment (vested) (%)	Directors' fee (%)	Total (%)
<b>Between S\$500,000 to S\$750,000</b>						
Yee Pinh Jeremy	-	-	-	86	14	100
<b>Below S\$250,000</b>						
Chen Johnson	-	-	-	-	100	100
Leong Yow Seng	-	-	-	-	100	100
Ong Hsien Chih, James (Weng Xianzhi, James)	-	-	-	-	100	100
Peter Koh Heng Kang*	-	-	-	-	100	100
Toh Shih Hua	-	-	-	-	100	100
Lew Kwang Ping#	100	-	-	-	-	100

\* Peter Koh Heng Kang resigned as an Independent Director on 10 December 2020.

# Lew Kwang Ping resigned as the Executive Director and CEO on 22 January 2020.

Saved as disclosed above, no compensation was paid in the form of share awards to the Directors in FY2020. There was no termination, retirement or post-employment benefits granted to the Directors in FY2020.

# CORPORATE GOVERNANCE

## **Key Management Personnel's Remuneration**

The breakdown of the total remuneration of the Group's key management personnel (who are not Directors) for FY2020 is as follows:

Name of key management personnel <sup>(1)</sup>	Salary %	Benefits %	Share-based payment (vested) %	Bonus %	Total %
<b>Between S\$250,000 to S\$500,000</b>					
Tan Wei Chee	47	–	53	–	100
Wang Qingyin	56	–	44	–	100
Leong Man Chun	48	–	52	–	100
<b>Below S\$250,000</b>					
Hue Han Seung <sup>(2)</sup>	100	–	–	–	100

### **Notes:**

(1) The Company only has 4 key management personnel (who are not Directors).

(2) Hue Han Seung joined the Company as "Director, Corporate Development, Compliance and Corporate Finance" in October 2020.

Saved as disclosed above, no compensation was paid in the form of share awards to the key management personnel of the Group in FY2020. There were no termination, retirement or post-employment benefits granted to the Group's key management personnel in FY2020.

In considering the disclosure of remuneration of the Directors and key management personnel of the Group, the Board has decided not to disclose the full details of the remuneration of each Director and key management personnel due to the sensitive nature of such information in a start-up environment with a relatively small number of employees.

The aggregate remuneration paid to the key management personnel of the Group (who are not Directors) for FY2020 was approximately S\$970,000.

## **Employees who are Substantial Shareholders or Related to a Director, the CEO or a Substantial Shareholder**

There is no employee of the Group who is a substantial Shareholder, or related to a Director, the CEO or a substantial Shareholder, whose remuneration exceeded S\$100,000 during FY2020.

## **Performance Criteria for Remuneration**

The remuneration received by the key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

The performance criteria to assess the remuneration of key management personnel includes, among others, the profitability of the Group, leadership skills, as well as the key management personnel's compliance with all audit matters. The short-term incentive scheme would be the performance-related variable component of remuneration while the long-term incentive scheme would be the Plan.

# CORPORATE GOVERNANCE

## ACCOUNTABILITY AND AUDIT

### **Principle 9 Risk Management and Internal Controls**

*The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.*

The Board, with the assistance from the AC, is responsible for risk governance and ensuring that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets and manage risk. The Board acknowledges that risk management is an on-going process in which the Management continuously participates to evaluate, monitor and report to the Board and the AC on significant risks. The Board is cognisant, however, that internal controls and risk management systems are designed to manage identifiable risks and limit the Group's exposure to risk of errors and irregularities and can only provide reasonable mitigation and not absolute assurance against material misstatement or loss.

The Board will, at least annually, review the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

#### **Adequacy and Effectiveness of Internal Controls**

The Management is responsible for the design and implementation of internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The review of the adequacy and effectiveness of such internal controls and risk management systems is under the purview of the AC. The AC carries out the review at least annually with the assistance of the internal auditors, KPMG Services Pte. Ltd. ("KPMG"). The AC reviews the audit plans and the findings of the external auditors and the internal auditors and ensures that appropriate measures are implemented to address those issues and any weaknesses in the internal controls are highlighted.

The Board has obtained the following assurance from the interim CEO and the FC in respect of FY2020:

- (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (ii) the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

Based on the internal control policies and procedures established and maintained by the Group, work performed by the internal auditors and the external auditors, assurance from the interim CEO and the FC, as well as reviews performed by the AC and the Management, the Board confirms that the Group's internal controls (including financial, operational, compliance, and information technology controls) and risk management systems were adequate and effective for FY2020. The AC concurs with the Board's comments.

The Board notes that the internal controls and risk management systems established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no internal controls and risk management systems can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

# CORPORATE GOVERNANCE

## **Principle 10 Audit Committee**

*The Board has an audit committee which discharges its duties objectively.*

As at the date of this annual report, the AC comprises 3 members, all of whom, are Independent Directors:

Toh Shih Hua*	Chairman
Leong Yow Seng	Member
Ong Hsien Chih, James* (Weng Xianzhi, James)	Member

\* *Toh Shih Hua and Ong Hsien Chih, James (Weng Xianzhi, James) will be retiring and will not be seeking re-election as Directors at the forthcoming AGM. Accordingly, Toh Shih Hua will cease to be the Chairman of the AC, and Ong Hsien Chih, James (Weng Xianzhi, James) will cease to be a member of the AC. As at the date of this annual report, the Board and the NC are in the process of reviewing its composition, and the memberships and Chairman appointments of the various Board Committees.*

The AC will meet with the internal auditors and the external auditors without the presence of the Management at least once a year to, among others, ascertain if there are any material weaknesses or control deficiencies in the Company's financial reporting and operational systems.

The members of the AC do not have any management and business relationships with the Company or any substantial Shareholder.

No former partner or director of the Company's existing auditing firm or auditing corporation has acted as a member of the AC: (a) within a period of two years commencing on the date of his/her ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for as long as he/she has any financial interest in the auditing firm or auditing corporation.

## CORPORATE GOVERNANCE

The AC is guided by written terms of reference, including:

- (a) assist the 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, the internal auditors' evaluation of the system of internal accounting controls or the external auditors' management letter and the Management's response, and results of the audits compiled by the internal and external auditors, and will review at regular intervals with the Management the implementation by the Company of the internal controls recommendations made by the internal and external auditors;
- (c) review and report to the Board the periodic financial statements and any formal announcements relating to Company's financial performance before submission to 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 Catalist Rules 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 Management, where necessary, and to advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates;
- (d) review the cash management processes;
- (e) review and report to the Board, at least annually, the effectiveness and adequacy of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems and discuss issues and concerns, if any, arising from the internal audits;
- (f) review and report to the Board 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 the Company's results of operations or financial position, and the Management's response;
- (h) review the financial risk areas, with a view to providing an independent oversight of the 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 the Management to the internal and external auditors;
- (j) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (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 the Company;
- (m) review and establish procedures for receipt, retention and treatment of complaints received by the Company concerning, among others, criminal offences involving the Company or the employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Company, and ensure that there are arrangements in place for independent investigation and follow-up action;
- (n) review the procedures by which the employees may, in confidence, safely raise concerns about possible improprieties in matters of financial reporting or other matters to the Chairman of the AC, and ensure that there are arrangements in place for independent investigation and follow-up action. The AC ensures that the Company publicly discloses and clearly communicate to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- (o) such other responsibilities as may be required by statute and/or the Catalist Rules and/or as recommended by the Code, and by such amendments made thereto from time to time; and
- (p) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising therefrom and which require the attention of the AC.

# CORPORATE GOVERNANCE

In addition, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's results of operations or financial position.

## **Qualifications of AC**

The Board is of the view that the AC members are appropriately qualified, with the necessary accounting, financial advisory, business management, corporate and finance, investment expertise and experience to discharge the AC's functions.

Toh Shih Hua is a Chartered Accountant and has extensive corporate and financial management knowledge. Leong Yow Seng is currently the Group Chief Financial Officer of Minergy Resources Pte. Ltd., with many years of financial reporting and corporate finance experience. Ong Hsien Chih, James (Weng Xianzhi, James) is a Certified Public Accountant in Australia and has extensive corporate finance exposure.

## **Authority of AC**

Apart from the duties listed above, the AC has the power to conduct or authorise investigations into any matters within the AC's terms of reference. The AC has full access to and co-operation of the Management and has full discretion to invite any Director or key management personnel to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC is authorised to obtain independent professional advice as it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

## **Internal Audit**

The AC reviews, approves and reports to the Board the internal audit plan on an annual basis to ensure the adequacy, effectiveness, and independence of the internal audit function. The AC also ensures that the internal audit function is adequately resourced, staffed with persons with the relevant qualifications and experience, and has appropriate standing within the Company.

The internal audit plan complements that of the external auditors and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's internal controls and risk management systems.

The Group's internal audit function is outsourced to KPMG and they report directly to the Chairman of the AC and administratively to the interim CEO and FC. KPMG has unrestricted access to the AC as well as the Group's documents, records, properties and personnel that are relevant to their work. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

The internal auditors report their findings to the AC and the Board. The Management is responsible for ensuring that appropriate measures are implemented to address the internal controls weaknesses highlighted by the internal auditors.



## CORPORATE GOVERNANCE

KPMG is a member of the Institute of Internal Auditors Singapore (“**IIA**”), a professional internal auditing body affiliated to the Institute of Internal Auditors, Inc. The internal audit work carried out is guided by KPMG’s global internal auditing standards and the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the IIA. KPMG continues to meet or exceed the IIA Standards in all key aspects. The internal audit function is led by a KPMG partner who has more than 20 years of audit experience and the team is staffed by suitably qualified and experienced professionals with the relevant qualifications and experience. KPMG has confirmed their independence to the AC and the Board. With reference to the above, the AC is satisfied that KPMG has adequate resources to perform its function effectively.

Based on the scope of work performed by the internal auditors for FY2020, there were no material weaknesses identified.

### ***Meeting between AC and Auditors***

The AC met with the internal auditors and the external auditors in the absence of Management in FY2020.

### ***Independence of External Auditors***

There were no non-audit fees paid to the external auditors for FY2020.

The Company confirms that it complies with Rule 712 and Rule 715 of the Catalist Rules on the appointment of auditing firm for the Group.

The AC, having reviewed the Audit Quality Indicators Disclosure Framework, is also satisfied that the external auditors, Ernst & Young LLP are able to meet the audit obligations of the Company and is pleased to recommend to the Board, the nomination of Ernst & Young LLP for re-appointment as independent auditor of the Company at the forthcoming AGM.

The external auditor provides regular updates and briefing to the AC on changes to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

### ***Whistle-blowing Policy***

The Group has in place a whistle-blowing policy. It is intended to provide a framework to promote responsible and secure whistleblowing without fear of adverse consequences. The Group’s employees and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters verbally or in writing to the FC. All matters reported will be reviewed within a reasonable timeframe, and after due consideration and inquiry, a decision will be taken on whether to proceed with a detailed investigation. Guidance/direction may be sought from the interim CEO and other appropriate parties. While all complaints received by the FC will be reported to the interim CEO, whistleblowing complaints alleging fraud and breaches of corporate governance will be escalated to the AC and the Chairman of the Board.

The details of the policy have been disseminated and made available to all parties concerned in the Group’s Staff Handbook.

There was no whistle-blowing report received during FY2020.

# CORPORATE GOVERNANCE

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### **Principle 11 Shareholder Rights and Conduct of General Meetings**

*The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Company treats all Shareholders fairly and equitably, and recognises, protects and facilitates the exercise of Shareholders' rights and continually reviews and updates such governance arrangements.

The Group is committed to making timely, full and accurate disclosures to Shareholders and the public. All information on the Company's new initiatives which would be likely to materially affect the price or value of the Company's shares will be promptly disseminated via SGXNET to ensure fair communication with Shareholders. The Company does not practice selective disclosure.

All Shareholders are informed of general meetings through notices contained in our annual reports or circulars sent to them. Shareholders will be given the opportunity to participate effectively in and vote at the general meetings.

#### **Dividend Policy**

The Company currently does not have a fixed dividend policy as it has yet to be profitable. The form, frequency and amount of future dividends that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors such as levels of cash and accumulated profits, actual and projected financial performance, projected levels of capital requirements and general financing conditions, restrictions on payment of dividends imposed on the Company by its financing arrangements (if any), general economic and business conditions in countries the Company operates and other relevant factors as the Board may deem appropriate.

No dividend was declared by the Company for FY2020 as the Group was not profitable.

#### **Conduct of Shareholder Meetings**

Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay apprised of the Group's strategies and goals. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. Notice of the general meetings will be advertised in newspapers and announced on SGXNET.

The Constitution allows members of the Company to appoint not more than 2 proxies to attend, speak and vote at the general meetings on their behalf. A relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to as different share or shares held by such member.

Supplementary Retirement Scheme Investors ("**SRS Investors**") may attend and cast their vote(s) at the general meetings in person. SRS Investors who are unable to attend the general meetings but would like to vote, may inform their Supplementary Retirement Scheme approved nominees to appoint the chairman of the general meetings to act as their proxy.

## CORPORATE GOVERNANCE

The Board does not implement absentia-voting methods by mail, electronic mail or facsimile, until issues on security and integrity are satisfactorily resolved.

An independent polling agent will be appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meeting. The Company ensures that Shareholders are given the opportunity to participate effectively in and vote at general meetings.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Separate resolutions are proposed for substantially separate issues at Shareholders' meetings for approval. "Bundling" of resolutions is done only where the resolutions are interdependent and linked so as to form one significant proposal and only where there are reasons and material implications involved. In such cases of "bundling", the Company ensures that explanations as to the reasons and implications are given to Shareholders in the notice of meeting.

Directors (including the respective Chairman of the Board Committees) will be present at general meetings, to address Shareholder's queries. The external auditors are also required to be present to address Shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. At the Company's last annual general meeting and extraordinary general meeting held on 30 April 2020, all the then Directors were present.

The Company publishes minutes of general meetings of Shareholders on the Company's corporate website at <http://www.biolidics.com> and SGXNet as soon as practicable. The minutes record substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting, responses from the Board and the Management.

All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meetings. Electronic poll voting will be adopted so as to ensure greater transparency. Votes cast for and against each resolution will be tallied and displayed live-on-screen to Shareholders immediately at the meeting.

Due to the ongoing COVID-19 pandemic and the restrictions implemented by the Singapore Government under the COVID-19 (Temporary Measures) Act 2020 (as amended from time to time), the forthcoming AGM will not be held in person. Instead, the Company will be holding the forthcoming AGM by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as may be amended from time to time) (the "**Order**"). Shareholders are invited to participate at the general meeting by (a) observing and/or listening to the proceedings via "live" audio-visual webcast or "live" audio-only stream; (b) submitting their questions in advance of, or during (if possible), the general meeting; and (c) appointing the Chairman of the general meeting as proxy to attend, speak and vote on their behalf. Details of the relevant procedure including pre-registration, submission of questions, appointment of proxy to attend, speak and vote on their behalf, are set out in the notice of AGM. Due to the constantly evolving nature of the COVID-19 situation in Singapore including where the Ministry of Law publishes any relevant order in respect of alternative arrangements for meetings in the Government gazette, the Company may be required to change its arrangements for the general meeting at short notice and Shareholders are encouraged to keep abreast of the Company's announcements that may be made from time to time on SGXNET.

# CORPORATE GOVERNANCE

## **Principle 12 Engagement with Shareholders**

*The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.*

### **Communication with Shareholders**

The Company commits itself to disclose and convey pertinent information to all stakeholders in a timely manner.

General meetings are the principal forum for dialogue with Shareholders and Shareholders are encouraged to participate in such meetings. During these meetings, Shareholders are able to engage with the Board and the Management in discussions on the Group's business activities, financial performance and other business-related matters. This enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Group on investors' views.

The Group's financial results and annual reports are announced or issued within the period specified under the Catalist Rules, and are also made available to the public via the Company's website, <http://www.biolidics.com>. The website is also updated regularly with voluntary interim updates on useful and relevant information to provide Shareholders a better understanding of the Company's performance in the context of the current business environment and various other investor-related information on the Group which serves as an important resource for investors.

As and when necessary, the key management personnel will meet analysts and fund managers who wish to seek a better understanding of the Group's business and operation.

The Company has appointed an investor relations firm, 8PR Asia Pte Ltd, to manage communication with its stakeholders and to ensure that their queries and concerns are promptly addressed by the relevant management personnel.

Shareholders and the investment community can submit their queries and feedback by email at [ir@biolidics.com](mailto:ir@biolidics.com).

## **Principle 13 Managing Stakeholders Relationships**

*The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.*

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to secure the long term future of the Group. The Group's key efforts on sustainability are focused on creating sustainable value for its key stakeholders, which include communities, customers, staff, regulators, Shareholders and vendors.

The Company maintains a corporate website at <http://www.biolidics.com> to communicate and engage stakeholders. For more information on the stakeholder engagements, refer to page 25 of this annual report.

# CORPORATE GOVERNANCE

## **Material Contracts**

At an extraordinary general meeting of the Company held on 30 April 2020, Shareholders approved the acquisition by the Company of the entire issued and paid-up share capital of Biomedics Laboratory Pte. Ltd. from SAM Laboratory Pte. Ltd. (the “**Vendor**”), for an aggregate consideration of up to S\$3.7 million (the “**Biomedics Lab Acquisition**”). Clearbridge Health Limited, a controlling Shareholder, owns the entire issued and paid-up share capital of the Vendor. The Biomedics Lab Acquisition was completed on 26 May 2020. Please refer to the Company’s circular dated 8 April 2020 for further details on the Biomedics Lab Acquisition.

Save as disclosed above and in the section entitled “Interested Persons Transaction” of this corporate governance report, there were no material contracts of the Group involving the interests of the CEO, any Director or controlling Shareholder which are either still subsisting at the end of FY2020 or, if not then subsisting, entered into since the end of FY2019.

## **Interested Persons Transaction (“IPT”)**

The AC has reviewed the Group’s IPTs for FY2020 to ensure that the IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders and complied with the IPT general mandate granted by Shareholders at the extraordinary general meeting of the Company held on 30 April 2020.

The aggregate value of all IPTs during FY2020 (excluding transactions less than S\$100,000 and transactions conducted under the Shareholders’ mandate pursuant to Rule 920 of the Catalist Rules) (the “**Aggregate Value of Non-mandated IPTs**”) and the aggregate value of all IPTs conducted under Shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (the “**Aggregate Value of Mandated IPTs**”) are as follows:

<b>Name of Interested Person</b>	<b>Aggregate Value of Non-mandated IPTs</b>	<b>Aggregate Value of Mandated IPTs</b>
	<b>(\$’000)</b>	<b>(\$’000)</b>
Hybrionic Pte Ltd <sup>(1)</sup> – Provision of labelling, packaging and storage services	183	–
Clearbridge Health Limited <sup>(2)</sup> – Secondment of staff	–	104
Clearbridge Medical Group Pte Ltd <sup>(3)</sup> – Sales of products	–	5,230

### **Notes:**

- (1) Chen Chung Ni Johnny, the father of the Non-Executive Non-Independent Director, Chen Johnson, is a director of, and holds an equity interest of approximately 87.7%, in Hybrionic Pte Ltd. Chen Johnson is also a director of Hybrionic Pte Ltd.
- (2) Clearbridge Health Limited is a controlling Shareholder.
- (3) Clearbridge Medical Group Pte Ltd is a wholly-owned subsidiary of Clearbridge Health Limited.

## CORPORATE GOVERNANCE

The Group has implemented an internal policy in respect of any transactions with an interested person (as defined in the Catalist Rules) and has established procedures for the review and approval of all IPTs entered into by the Group. In the event that a potential conflict of interest arises, the Director concerned will not participate in discussions, and shall abstain from decision making, and refrain from exercising any influence over other members of the Board.

The Group has also established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and the transactions will not be prejudicial to the interest of the Company and its minority Shareholders. To ensure compliance with Chapter 9 of the Catalist Rules, the Board and the AC will review the IPTs entered into by the Group (if any), at least once every 6 months.

### ***Dealing in Securities***

The Company has adopted an internal policy which prohibits all employees of the Group from dealing in the securities of the Company while in possession of price-sensitive information. All employees of the Group are expected to observe insider trading laws at all times.

All employees of the Group are discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the period commencing 1 month before the announcement of the Company's half year and full year financial statements and ending on the date of the announcement of the relevant results.

### ***Non-sponsor Fees***

No non-sponsor fees were paid to the Company's sponsor, United Overseas Bank Limited, for FY2020.

## CORPORATE GOVERNANCE

### **Use of IPO Proceeds**

The Company received net proceeds from its initial public offering of approximately S\$6.1 million.

The net proceeds have been utilised as at the date of this annual report as follows:

	Amount allocated (as disclosed in the Company's offer document) (S\$'000)	Amount utilised as at the date of this annual report (S\$'000)	Balance (S\$'000)
Expand our clinical services applications and clinical services customer segment	2,700	(2,561)	139
Advance our pipeline products	2,400	(796)	1,604
General corporate and working capital purposes <sup>(1)</sup>	1,000	(1,000)	-
Total	6,100	(4,357)	1,743

**Note:**

(1) Comprises employee salaries, rental expenses and travelling expenses.

### **Use of Placement Proceeds**

Pursuant to the issuance of 17,858,000 placement shares (the "Placement Shares") on 27 March 2020, the Company received net proceeds of approximately S\$3.1 million.

The net proceeds have been utilised as at the date of this annual report as follows:

	Amount allocated (as disclosed in the Placement Shares announcement) (S\$'000)	Amount utilised as at the date of this annual report (S\$'000)	Balance (S\$'000)
Expansion of the Group's presence in its existing markets, into new market segments, and through establishing new sales channels	1,595	(730)	865
Expansion of the Company's businesses through investments, mergers and acquisitions, joint ventures and/or strategy collaborations with third parties	792	(20)	772
General corporate and working capital purposes <sup>(1)</sup>	711	(711)	-
Total	3,098	(1,461)	1,637

**Note:**

(1) Comprises employee salaries, rental expenses and travelling expenses.

# DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Biolidics Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2020.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance and changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The directors of the Company in office at the date of this statement are:

Chen Johnson  
Yee Pinh Jeremy  
Leong Yow Seng  
Ong Hsien Chih, James (Weng Xianzhi, James)  
Toh Shih Hua  
Kong Chee Keong (*appointed on 1 April 2021*)  
Chia Beng Kwan (*appointed on 1 April 2021*)

## 3. Arrangements to enable directors to acquire shares and debentures

Except as described in paragraph 5 of the Directors’ statement, neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.



## DIRECTORS' STATEMENT

### 4. Directors' interests in shares or debentures

The following directors who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
<b>The Company</b>				
<i>(Ordinary shares)</i>				
Chen Johnson	2,748,300	2,748,300	–	–
Ong Hsien Chih, James (Weng Xianzhi, James)	52,200	52,200	–	–
Yee Pinh Jeremy	–	1,130,000	–	–
<i>(Share awards)</i>				
Yee Pinh Jeremy	–	1,305,000	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2021.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

### 5. Share-Based Payments

On 20 November 2018, the Company's shareholders approved the Biolidics Performance Share Plan (the "Plan") that gives the rights to grant awards in the form of shares to full time employees of the Group or Group Directors at the absolute discretion of the Remuneration Committee (the "RC"). The RC, comprising three directors, Mr. Leong Yow Seng, Mr. Yee Pinh Jeremy and Ms. Toh Shih Hua, is responsible for administering the Plan.

On 18 August 2020, the Company granted share awards, comprising up to 7,703,500 ordinary shares (the "Shares"), to Mr. Yee Pinh Jeremy and certain employees pursuant to the Plan. The Shares were granted at the fair value of S\$0.39 per share, which was based on the market price of the shares on the date of grant.

In addition, on 18 August 2020, the Company granted share awards, comprising up to 2,723,500 Shares, to third-party individuals for their services rendered and in part as performance based incentives for future performance of such service. The Shares were granted at the fair value of S\$0.39 per share, which was based on the market price of the shares on the date of grant.

# DIRECTORS' STATEMENT

## 5. Share-Based Payments (Continued)

Under the Biolidics Performance Share Plan and share awards granted to third party individuals, the share awards will vest:

- (a) within 4 months from 1 January 2021 for up to 2,246,000 of the ordinary shares contingent on the achievement of pre-determined targets for the financial year ended 31 December 2020 and requisite service period;
- (b) within 4 months from 1 January 2022 for up to 2,246,000 of the ordinary shares contingent on the achievement of pre-determined targets for the financial year ending 31 December 2021 and requisite service period; and
- (c) within 4 months from 1 January 2023 for up to 2,246,000 of the ordinary shares contingent on the achievement of pre-determined targets for the financial year ending 31 December 2021 and requisite service period.

Name of Participant	Date of grant	Balance at date of grant	Number of share awards Vested	Balance at 31 December 2020
Yee Pinh Jeremy	18.08.2020	2,435,000	(1,130,000) <sup>(1)</sup>	1,305,000
Other employees	18.08.2020	5,268,500	(1,391,000) <sup>(1)</sup>	3,877,500
Third party individuals	18.08.2020	2,723,500	(1,168,000) <sup>(1)</sup>	1,555,500
		10,427,000	(3,689,000) <sup>(1)</sup>	6,738,000

- (1) 3,689,000 Shares, which were subjected to a moratorium of 6 months from the date of allotment, were allotted and issued on 19 August 2020, pursuant to the vesting of the share awards.

Save as disclosed above,

- (a) there were no other Awards granted to directors or controlling shareholders of the Company under the Plan during the financial year under review; and
- (b) no other individual has been granted shares representing 5.0% or more of the total number of shares available under the Plan during the financial year under review.

During the year, no shares granted under the Plan were cancelled or lapsed.

## 6. Audit committee

The Audit Committee ("AC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50. Further details regarding the audit committee are disclosed in the Corporate Governance Report.

# DIRECTORS' STATEMENT

## 7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

**Yee Pinh Jeremy**

Director

**Chen Johnson**

Director

Singapore

13 April 2021

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Biolidics Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2020, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### 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 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 Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the 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.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### *Impairment assessment of plant and equipment, right-of-use assets and intangible assets*

As at 31 December 2020, the carrying amounts of the Group's plant and equipment, right-of-use assets and intangible assets amounted to approximately \$771,696, \$635,074 and \$4,402,813 respectively.

Management has assessed that there exists an indication that the long-lived assets may be impaired. Accordingly, management has estimated the recoverable amounts of the cash-generating units ("CGUs") to which the assets belong using fair value less costs to sell ("FVLCS") in accordance with SFRS(I) 1-36 *Impairment of Assets* using both income and market approaches. The estimation of recoverable amounts based on these valuation approaches requires management to make significant judgements in determining the appropriate valuation techniques and developing valuation assumptions and inputs such as forecast of future cash flows, application of appropriate discount rates and observable market prices. The estimation uncertainties are further heightened by the current market and economic conditions. Accordingly, we have considered this matter to be a key audit matter.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## Key audit matters (Continued)

### *Impairment assessment of plant and equipment, right-of-use assets and intangible assets (Continued)*

As part of our audit procedures, amongst others, we assessed management's bases for the identification of CGUs, allocation of assets to their CGUs, quantification of their carrying amounts and their evaluation of the relevant indicators of impairment. In relation to those CGUs where the FVLCS were estimated using an income approach, we reviewed the appropriateness of the valuation models used and assessed the reasonableness of the key assumptions used, such as the projections of revenue growth, gross profit margins, discount rates and long-term growth rates. We considered management's budgets and business plans and where applicable, confirmed sales orders, the CGUs' historical financial performance, as well as the potential impact of the current uncertain market conditions. We involved our internal valuation specialists to assist us in the assessment of the reasonableness of discount rates and long term growth rates used by comparing the discount rates to those of comparable companies and comparing the long term growth rates to external market data such as economic growth and inflation rate. In relation to the market approach used to determine FVLCS, we evaluated the appropriateness of the valuation methodology used and adjustments made by considering the relevance and reliability of the observable share price of the Group and the contributions of value made by the respective CGUs of the Group. We also considered the relevance of valuation premiums and or discount for the purposes of determining the recoverable amount under SFRS(I) 1-36. We also reviewed the arithmetic accuracy of management's computation of the recoverable amounts, carrying amount of the CGUs, indicative headroom and the adequacy of disclosures made in the financial statements in relation to these significant estimates.

### *Accounting for acquisition of Biomedics Laboratory Pte Ltd ("Biomedics Lab")*

During the financial year ended 31 December 2020, the Group completed the acquisition of Biomedics Lab. SFRS(I) 3 *Business Combinations* requires the Group to recognise the identifiable assets acquired and liabilities assumed estimated at their fair values at the date of acquisition, with the excess of the purchase price over the fair value of the net identifiable assets and liabilities recognised as goodwill. Management engaged an external valuer to assist them in the identification and measurement of assets acquired and liabilities assumed relation to the acquisition of Biomedics Lab. Significant judgement and estimation is involved in determining the identifiable assets and liabilities, the appropriate valuation methods to be used as well as in the underlying assumptions used in the valuation process. Accordingly, we consider the initial accounting for this acquisition to be a key audit matter.

As part of our audit procedures, amongst others, we read the sale and purchase agreement and the circular issued to the shareholders in relation to the acquisition to obtain an understanding of the transaction and the key terms of the transaction. We involved our internal valuation specialists to assist us in the evaluation of (a) the objectivity, independence and competency of management's external valuer and (b) the valuation methods and key underlying assumptions used by management's external valuer. We also discussed with management's external valuer and obtained explanations to evaluate the selection of the valuation method used in the valuation. We also checked the arithmetic accuracy of management's computation of the goodwill to be recognised in the financial statements.

We have also assessed the adequacy of the related disclosures in Note 14 to the financial statements.

### *Accounting for share-based compensation*

During the financial year ended 31 December 2020, the Company granted share awards of up to 7,703,500 ordinary shares to certain employees and a director of the Company pursuant to the Biolidics Performance Share Plan. The Company also granted share awards of up to 2,723,500 ordinary shares to certain third party individuals who have made and/or will continue to make significant contributions to the Group's growth. The allotment and issuance of these new shares to qualifying employees and third party individuals are subject to the predetermined performance targets and service conditions over a predetermined performance period set by the Company's Remuneration Committee. There is no cash consideration involved.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## Key audit matters (Continued)

### *Accounting for share-based compensation (Continued)*

During the financial year ended 31 December 2020, the Group recorded share-based payment expense of \$1,439,000 and \$525,000 for (i) shares issued in 2020 to recognise past contributions of qualifying individuals and (ii) shares to be issued in subsequent years based on predetermined performance targets and service conditions, respectively.

Significant judgement and estimation are involved in determining the probability of achieving the predetermined performance targets and service conditions in computing the number of shares that will eventually vest during the vesting period. Accordingly, we have considered this matter to be a key audit matter.

As part of our audit procedures, amongst others, we read the terms and conditions of the share-based compensation and obtained an understanding of the Company's share awards, in particular the predetermined performance targets over a predetermined performance period established by the Company's Remuneration Committee. In reviewing the probability of achieving the predetermined performance targets and service conditions within the performance period, we reviewed the key underlying assumptions used by management in and corroborated the assumptions against our understanding of management's business plan. We checked the arithmetic accuracy of management's computation of the share-based compensation expense to be recognised in the financial statements.

We have also assessed the adequacy of the related disclosures in Notes 6 and 27 to the financial statements.

## Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a 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 financial statements and to maintain accountability of assets.

In preparing the 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.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## **Auditor's responsibilities for the audit of the financial statements (Continued)**

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Terry Wee Hiang Bing.

## **Ernst & Young LLP**

Public Accountants and  
Chartered Accountants  
Singapore

13 April 2021



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
<b>Revenue</b>	4	<b>8,907,368</b>	1,438,080
Other income	5	<b>624,444</b>	216,638
Changes in inventories		<b>633,980</b>	73,386
Purchases		<b>(6,102,422)</b>	(545,338)
Employee benefits expense	6	<b>(2,735,838)</b>	(1,505,541)
Depreciation expense	11,22	<b>(753,017)</b>	(594,220)
Amortisation expense	12	<b>(243,318)</b>	(45,523)
Research and development expense	8	<b>(877,389)</b>	(1,231,330)
Other expenses		<b>(4,010,371)</b>	(2,609,483)
Finance costs	7	<b>(127,248)</b>	(6,349)
<b>Loss before tax</b>	8	<b>(4,683,811)</b>	(4,809,680)
Income tax credit	9	<b>33,009</b>	–
<b>Loss for the year</b>		<b>(4,650,802)</b>	(4,809,680)
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Effect of translation of foreign operations		<b>112,365</b>	17,296
<b>Other comprehensive income for the year, net of tax</b>		<b>112,365</b>	17,296
<b>Total comprehensive loss for the year</b>		<b>(4,538,437)</b>	(4,792,384)
<b>Loss per share (cents per share)</b>			
– Basic	10	<b>(1.81)</b>	(1.98)
– Diluted	10	<b>(1.80)</b>	(1.98)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		2020 \$	2019 \$	2020 \$	2019 \$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	11	771,696	734,873	718,257	734,873
Right-of-use assets	22	635,074	601,950	400,391	601,950
Intangible assets	12	3,776,830	566,765	642,346	566,765
Goodwill	13	625,983	–	–	–
Investment in subsidiaries	14	–	–	5,045,994	1,463,252
		<b>5,809,583</b>	1,903,588	<b>6,806,988</b>	3,366,840
<b>Current assets</b>					
Cash and cash equivalents	15	10,669,461	6,029,642	9,023,923	4,603,216
Trade receivables	16	201,741	223,923	358,264	224,517
Prepayments		267,051	389,403	245,633	340,548
Other receivables	17	197,165	171,583	467,533	177,238
Inventories	18	1,610,011	903,613	1,588,564	903,331
		<b>12,945,429</b>	7,718,164	<b>11,683,917</b>	6,248,850
<b>Total assets</b>		<b>18,755,012</b>	9,621,752	<b>18,490,905</b>	9,615,690
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables	19	143,441	522,916	130,137	522,916
Other payables	20	781,208	614,592	771,026	613,174
Contract liabilities	21	184,965	141,933	184,965	141,933
Lease liabilities	22	264,953	139,659	149,649	139,659
Borrowings	23	869,337	–	869,337	–
Deferred grant income	24	47,739	–	47,739	–
		<b>2,291,643</b>	1,419,100	<b>2,152,853</b>	1,417,682
<b>Net current assets</b>		<b>10,653,786</b>	6,299,064	<b>9,531,064</b>	4,831,168

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		2020 \$	2019 \$	2020 \$	2019 \$
<b>Non-current liabilities</b>					
Contract liabilities	21	–	34,880	–	34,880
Lease liabilities	22	<b>377,908</b>	396,969	<b>274,676</b>	396,969
Borrowings	23	<b>3,763,513</b>	–	<b>3,763,513</b>	–
Provision for reinstatement cost		<b>9,790</b>	4,800	<b>4,800</b>	4,800
Deferred consideration	14	<b>3,506,955</b>	–	<b>3,506,955</b>	–
Deferred tax liabilities	25	<b>532,862</b>	–	–	–
		<b>8,191,028</b>	436,649	<b>7,549,944</b>	436,649
<b>Total liabilities</b>		<b>10,482,671</b>	1,855,749	<b>9,702,797</b>	1,854,331
<b>Net assets</b>		<b>8,272,341</b>	7,766,003	<b>8,788,108</b>	7,761,359
<b>Equity attributable to owners of the Company</b>					
Share capital	26	<b>58,334,738</b>	53,798,878	<b>58,334,738</b>	53,798,878
Foreign currency translation reserve		<b>129,661</b>	17,296	–	–
Share-based payment reserve	27	<b>508,915</b>	–	<b>508,915</b>	–
Accumulated losses		<b>(50,700,973)</b>	(46,050,171)	<b>(50,055,545)</b>	(46,037,519)
<b>Total equity</b>		<b>8,272,341</b>	7,766,003	<b>8,788,108</b>	7,761,359
<b>Total equity and liabilities</b>		<b>18,755,012</b>	9,621,752	<b>18,490,905</b>	9,615,690

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2020 Group	Share capital \$	Foreign currency translation reserve \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
<b>Balance as at 1 January 2020</b>	53,798,878	17,296	–	(46,050,171)	7,766,003
Loss for the year	–	–	–	(4,650,802)	(4,650,802)
Other comprehensive income:					
Effect of translation of foreign operations	–	112,365	–	–	112,365
Other comprehensive income for the year, net of tax	–	112,365	–	–	112,365
<b>Total comprehensive income/(loss) for the year</b>	–	112,365	–	(4,650,802)	(4,538,437)
Transactions with owners, recognised directly in equity:					
Issuance of ordinary shares	3,125,150	–	–	–	3,125,150
Share issuance expenses	(28,000)	–	–	–	(28,000)
Employee share-based payment – equity settled	–	–	1,368,403	–	1,368,403
Professional fees – equity settled	–	–	579,222	–	579,222
Reclassification upon issuance of shares	1,438,710	–	(1,438,710)	–	–
<b>Total transactions with owners, recognised directly in equity</b>	4,535,860	–	508,915	–	5,044,775
<b>Balance as at 31 December 2020</b>	<b>58,334,738</b>	<b>129,661</b>	<b>508,915</b>	<b>(50,700,973)</b>	<b>8,272,341</b>
2019 Group	Share capital \$	Foreign currency translation reserve \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
<b>Balance as at 1 January 2019</b>	53,798,878	–	–	(41,240,491)	12,558,387
Loss for the year	–	–	–	(4,809,680)	(4,809,680)
Other comprehensive income:					
Effect of translation of foreign operations	–	17,296	–	–	17,296
Other comprehensive income for the year, net of tax	–	17,296	–	–	17,296
<b>Total comprehensive income/(loss) for the year</b>	–	17,296	–	(4,809,680)	(4,792,384)
<b>Balance as at 31 December 2019</b>	<b>53,798,878</b>	<b>17,296</b>	<b>–</b>	<b>(46,050,171)</b>	<b>7,766,003</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Company	Share Capital \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
<b>2020</b>				
<b>Balance as at 1 January 2020</b>	53,798,878	–	(46,037,519)	7,761,359
Loss for the year, representing total comprehensive loss for the year	–	–	(4,018,026)	(4,018,026)
<u>Transactions with owners, recognised directly in equity:</u>				
Issuance of ordinary shares	3,125,150	–	–	3,125,150
Share issuance expenses	(28,000)	–	–	(28,000)
Employee share-based payment – equity settled	–	1,368,403	–	1,368,403
Professional fees – equity settled	–	579,222	–	579,222
Reclassification upon issuance of shares	1,438,710	(1,438,710)	–	–
<b>Total transactions with owners, recognised directly in equity</b>	<b>4,535,860</b>	<b>508,915</b>	<b>–</b>	<b>5,044,775</b>
<b>Balance as at 31 December 2020</b>	<b>58,334,738</b>	<b>508,915</b>	<b>(50,055,545)</b>	<b>8,788,108</b>
<b>2019</b>				
<b>Balance as at 1 January 2019</b>	53,798,878	–	(41,240,491)	12,558,387
Loss for the year, representing total comprehensive loss for the year	–	–	(4,797,028)	(4,797,028)
<b>Balance as at 31 December 2019</b>	<b>53,798,878</b>	<b>–</b>	<b>(46,037,519)</b>	<b>7,761,359</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Loss before tax		(4,683,811)	(4,809,680)
Adjustments for:			
Expenses relating to short-term leases	8	27,843	10,810
Amortisation of intangible assets	12	243,318	45,523
Depreciation of plant and equipment	11	452,619	317,415
Depreciation of right-of-use assets	22	300,398	276,805
Plant and equipment written off	11	5,198	35,128
Loss/(gain) on disposal of plant and equipment	11	9,870	(15,000)
Gain arising from termination of lease	5	(101)	–
Allowance for inventories obsolescence	18	18,941	–
Inventories written down	18	5,765	52,141
Inventories written off	18	58,178	–
Intangible assets written off	12	–	89,941
Bad debts written off	8	22,126	2,398
Interest expense on lease liabilities	7	25,930	6,349
Interest expense on borrowings	7	63,207	–
Accretion of interest on deferred consideration	7	38,111	–
Interest income from fixed deposits	5	(27,200)	(114,251)
Employee share-based payment – equity settled	6	1,368,403	–
Professional fees – equity settled	8	579,222	–
Provision for reinstatement cost		–	4,800
<b>Operating cash flows before changes in working capital</b>		<b>(1,491,983)</b>	<b>(4,097,621)</b>
Changes in working capital:			
Decrease in trade receivables		3,650	228,284
Decrease/(increase) in prepayments		126,917	(72,491)
(Increase)/decrease in other receivables		(6,579)	48,469
Increase in inventories (Note A)		(785,148)	(353,802)
(Decrease)/increase in trade payables		(417,367)	214,600
Increase/(decrease) in other payables		151,305	(516,136)
Increase/(decrease) in contract liabilities		8,152	(112,411)
Increase in deferred grant income		47,739	–
<b>Cash flows used in operations</b>		<b>(2,363,314)</b>	<b>(4,661,108)</b>
Interest received		21,338	109,927
Interest paid		(89,088)	(6,215)
<b>Net cash used in operating activities</b>		<b>(2,431,064)</b>	<b>(4,557,396)</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
<b>Cash flows from investing activities</b>			
Additions to plant and equipment (Note A)	11	(324,721)	(561,702)
Additions to intangible assets	12	(124,727)	(124,430)
Proceeds from disposal of plant and equipment		-	15,000
Acquisition of a subsidiary, net of cash acquired	14	(89,979)	-
<b>Net cash used in investing activities</b>		<b>(539,427)</b>	<b>(671,132)</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issuance	26	3,125,150	-
Share issuance expenses	26	(28,000)	-
Proceeds from borrowings		5,000,000	-
Payment of principal portion of borrowings		(367,150)	-
Payment of principal portion of lease liabilities		(232,055)	(258,303)
<b>Net cash generated/(used in) from financing activities</b>		<b>7,497,945</b>	<b>(258,303)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,527,454</b>	<b>(5,486,831)</b>
Effect of exchange rate changes on cash and cash equivalents		112,365	17,296
Cash and cash equivalents at 1 January		6,029,642	11,499,177
<b>Cash and cash equivalents at 31 December</b>		<b>10,669,461</b>	<b>6,029,642</b>

**Note A:**

During the year, the Group transferred inventories to plant and equipment that were loaned out to collaboration partners and customers, and transferred plant and equipment to inventories that were sold to collaboration partners and customers subsequently.

	2020 \$	2019 \$
Transfer of inventories to plant and equipment	70,334	183,429
Transfer of plant and equipment to inventories	7,815	8,735

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 1. CORPORATE INFORMATION

Biolidics Limited (the “Company”) (Registration No. 200913076M) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist of Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office and principal place of business of the Company is located at 37 Jalan Pemimpin, #02-07 Mapex Singapore 577177.

The principal activity of the Company is that of a research, experimental development, marketing, and distribution of biotechnology, life and medical science and electronics related industrial design services and investment holding. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 13 April 2021.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “\$”), except when otherwise indicated.

### 2.2 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective as at 31 December 2020.

Description	Effective for annual periods beginning on or after
Amendment to SFRS(I) 16 <i>Leases</i> : Covid-19-Related Rent Concessions	1 June 2020
Amendments to SFRS(I) 9 <i>Financial Instruments</i> , SFRS(I) 1-39 <i>Financial Instruments: Recognition and Measurement</i> , SFRS(I) 7 <i>Financial Instruments: Disclosures</i> , SFRS(I) 4 <i>Insurance Contracts</i> , SFRS(I) 16 <i>Leases: Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment</i> : Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> : Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards will have no material impact on the financial statements in the year of initial application.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control or date of incorporation and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

### 2.4 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under 'Foreign currency translation reserve' in equity. The 'Foreign currency translation reserve' is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

#### (b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of reporting periods and the profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

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 and fittings	–	shorter of lease term and 3 years

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the financial year the asset is derecognised.

### 2.6 Intangible assets

#### (a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

#### (b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets of the Group are assessed as finite.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Intangible assets (Continued)

#### (b) Other intangible assets (Continued)

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

Amortisation is charged over the estimated useful lives of the assets, using the straight-line method, on the following bases:

Patent rights	–	10 years
Trademarks	–	10 years
Accreditation	–	10 years

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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.

### 2.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 Impairment of non-financial assets (Continued)

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

### 2.8 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

### 2.9 Financial instruments

#### (a) *Financial assets*

##### *Initial recognition and measurement*

Financial assets are recognised when, and only when, the entity becomes a party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### *Subsequent measurement*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 Financial instruments (Continued)

#### (a) Financial assets (Continued)

##### *Derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income for debt instruments is recognised in profit or loss.

#### (b) Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### 2.10 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Impairment of financial assets (Continued)

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 12 months past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term, highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### 2.13 Provisions

#### (a) *General*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.13 Provisions (Continued)

#### (b) *Warranty provisions*

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law, referred to as assurance-type warranties. The Group also provides extended warranties sold separately for services beyond the initial warranty period, referred to as service-type warranties. Provisions related to these warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is reviewed annually.

### 2.14 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, the grant is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income".

### 2.15 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

### 2.16 Employee benefits

#### (a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

In particular, the Company makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the subsidiary in the PRC has participated in a local municipal government retirement benefits scheme (the Scheme), whereby the subsidiary in the PRC is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiary in the PRC. The only obligation of the Group with respect to the Scheme is to pay ongoing required contributions under the Scheme mentioned above.

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.16 Employee benefits (Continued)

#### (c) *Employee share-based payment*

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the shares at the date on which they are granted. This cost is recognised in profit or loss, with a corresponding increase in the equity, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

### 2.17 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows.

Office and warehouse premises and laboratory space	–	1 to 3 years
Office and laboratory equipment	–	3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.7 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.17 Leases (Continued)

#### (b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### (c) *Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

### 2.18 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

In a bill-and-hold arrangement, even though the Group has not yet delivered the goods to the customer, it has satisfied its performance obligation as control of the good has been transferred to the customer, and all of the following criteria are met: the reason for the bill-and-hold arrangement is substantive, the product is identified separately as belonging to the customer, the product currently is ready for physical transfer to the customer, and the Group does not have the ability to use the good or to direct it to another customer.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Revenue recognition (Continued)

#### (a) *Sale of devices*

Revenue generated from sale of devices is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery), installed and the training on the use of the machine is provided to the customer. Following the delivery, installation and training, the customer has full discretion over the manner of use of the device. A receivable is recognised by the Group when the device is delivered, installed and knowledge is being transferred to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Included in the transaction price for the sale of devices is a one-year sales-related warranty which is provided by the Group with every device being sold. The Group accounts for such assurance-type warranties in accordance with SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. The Group also provides sale of extended warranty services beyond the one-year sales-related warranty. Refer to the accounting policy in Note 2.18 (c) to the financial statements.

#### (b) *Sale of consumables*

Revenue generated from sale of consumables is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of utilisation of the goods and bears risk of obsolescences and loss in relation to the goods. A receivable is recognised by the Group when the consumable is delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Under the Group's standard contract terms, customers do not have a right of return.

#### (c) *Sale of extended warranty services*

Included in the transaction price for the sale of devices policy (in Note 2.18 (a) to the financial statements) is a one-year sales-related warranty. This period can then be extended, if the customer so requires additional years of warranty services. The additional years of warranty services will be for the price at which these are sold by the Group to all of its customers as at the date of renewal regardless of the existence of a renewal option. Consequently, the option to extend the renewal period does not provide customers with any advantage when they enter into the initial contract and therefore no revenue has been deferred relating to this renewal option.

The extended warranty service is considered to be a distinct service as it is regularly supplied by the Group to the customers on a stand-alone basis. Revenue relating to the extended warranty service is recognised over time. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is recognised as revenue over the period of the warranty services are provided.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Revenue recognition (Continued)

#### (d) *Sale of COVID-19 test kits*

Revenue generated from sale of COVID-19 test kits is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of utilisation of the goods and bears risk of obsolescences and loss in relation to the goods. A receivable is recognised by the Group when the consumable is delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Under the Group's standard contract terms, customers do not have a right of return.

#### (e) *Rendering of laboratory services*

Revenue generated from the rendering of laboratory services are recognised when the services to be provided are completed at a point in time and the amount of revenue is based on contractual price. A contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract liability is recognised as revenue when services are rendered.

### 2.19 Taxes

#### (a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.19 Taxes (Continued)

#### (b) *Deferred tax (Continued)*

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

#### (c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

### 2.20 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the consolidated financial statements:

- (a) *Identification of a cash-generating unit ("CGU")*

The Group assesses annually whether there is an indication that an asset may be impaired. If any indication exists, the Group makes an estimate of the asset's recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units ("CGUs")). In making the assessment, the Group is required to determine whether multiple assets should be grouped to form a single CGU, which would affect whether an impairment is recognised. The identification of a CGU involves judgement made in determining whether the carrying amount of the Group's assets can be attributed directly, or allocated on a reasonable and consistent basis, to the CGU.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### 3.1 Judgements made in applying accounting policies (Continued)

(a) *Identification of a cash-generating unit ("CGU") (Continued)*

Management identified the Group's cancer business, infectious diseases business and laboratory services business as the 3 CGUs in the Group, having considered the products and services being sold by the Group and the inter-dependency of the cashflows arising from the products and services provided within a CGU.

(b) *Purchase price allocation review*

The Group has exercised significant judgement regarding the allocation of the purchase price to the assets and liabilities acquired, including judgement made relating to: identification of intangible assets, fair value adjustments to the carrying amount of assets and liabilities of the acquirees during the purchase price allocation review. Please refer to Note 3.2(b) for the estimate made by the Group during the purchase price allocation review.

### 3.2 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 are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) ***Impairment assessment of plant and equipment, right-of-use assets, intangible assets and goodwill on consolidation***

*Plant and equipment, right-of-use assets and intangible assets*

Based on the review carried out by the Group, management determines that there are indicators of impairment for the Group's plant and equipment, right-of-use assets and intangible assets. The Group determines the recoverable amounts of infectious diseases and laboratory services CGUs based on the income method. Refer to Note 3.1(a) to the financial statements for information on the identification of the Group's CGUs. The income method is based on cash flow projections covering a five-year period. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. The estimated recoverable amounts of the CGUs are in excess of the carrying amount of the CGUs. Accordingly, the Group concluded that no impairment is required to be recognised as at 31 December 2020. The carrying amounts of plant and equipment, right-of-use assets and intangible assets at the end of the reporting period is disclosed in Notes 11, 22, and 12 to the financial statements respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### 3.2 Key sources of estimation uncertainty (Continued)

#### (a) *Impairment assessment of plant and equipment, right-of-use assets, intangible assets and goodwill on consolidation (Continued)*

##### *Goodwill on consolidation*

As disclosed in Note 13 to the financial statements, the recoverable amount of the CGU, which goodwill have been allocated to, are determined based on the income method. The income method is based on a discounted cash flow models covering a five-year period. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. The key assumptions applied in the determination of cash flow forecasts, are disclosed and further explained in Note 13 to the financial statements. The carrying amount of the goodwill on consolidation as at 31 December 2020 is S\$625,983.

#### (b) *Purchase price allocation review*

Accounting for business combination requires extensive use of accounting estimates to allocate the purchase price to the fair market values of the assets and liabilities purchased as well as the fair value of the consideration (i.e. the fair value of the shares issued to acquire the acquirees). As mentioned in 3.1(b) above, the Group has exercised judgement to determine the fair value adjustments required during the purchase price allocation review.

#### (c) *Share-based compensation*

The Group measures the cost of equity-settled transactions with a director, employees and third party individuals by reference to the fair value of the equity instruments at the date at which they are granted and the probability of achieving the predetermined performance targets and service conditions. Significant judgement and estimation are involved in determining the probability of achieving the predetermined performance targets and service conditions in computing the number of shares that will eventually vest during the vesting period. During the financial year ended 31 December 2020, the Group recorded share-based payment expense of \$1,368,403 and \$579,222 for share awards granted to (i) a director and qualifying employees and (ii) third party individuals respectively as disclosed in Notes 6 and 27, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 4. REVENUE

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major revenue streams. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 31 to the financial statements).

### a) Disaggregation of revenue

	Group	
	2020	2019
	\$	\$
Sale of COVID-19 test kits	7,806,885	–
Sale of devices and consumables	987,168	1,363,068
Sale of extended warranty services	74,035	75,012
Rendering of laboratory services	39,280	–
	<b>8,907,368</b>	1,438,080
	<hr/>	
<b>Timing of transfer of goods or services</b>		
At point in time	8,833,333	1,363,068
Over time	74,035	75,012
	<b>8,907,368</b>	1,438,080
	<hr/>	

### b) Contract liabilities

Information about contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2020	2019
	\$	\$
Contract liabilities	184,965	176,813
	<hr/>	

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for sale of devices and consumables, extended warranty services and preventive maintenance services. Contract liabilities are recognised as revenue as the Group fulfil the performance obligations within the contracts.

The table above shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as at the end of the reporting period.

The Group expects to recognise \$184,965 (2019: \$141,933) as revenue relating to the transaction price allocated to the unsatisfied performance obligations as at year-end in the financial year 2021 (2019: 2020) and \$Nil (2019: \$34,880) in the financial year 2022 (2019: 2021)

Refer to Note 21 to the financial statements for further information on contract liabilities.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 5. OTHER INCOME

	Group	
	2020	2019
	\$	\$
Government grants	592,755	69,735
Interest income from fixed deposits	27,200	114,251
Gain on disposal of plant and equipment	–	15,000
Gain arising from termination of lease	101	–
Others	4,388	17,652
	<b>624,444</b>	216,638

Included in government grant income is an amount of \$226,916 recognised during the financial year under the Jobs Support Scheme (“JSS”). The JSS is a temporary scheme introduced by the Singapore government to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

## 6. EMPLOYEE BENEFITS EXPENSE

	Group	
	2020	2019
	\$	\$
Directors’ remuneration	278,858	352,000
Salaries and bonuses	978,780	1,035,347
Employer’s contribution to defined contribution plans	109,797	118,194
Share-based payment – equity settled		
– Director	544,423	–
– Employees	823,980	–
	<b>2,735,838</b>	1,505,541

### Performance Share Plan

On 18 August 2020, the Company granted share awards (the “Awards”), comprising up to 7,703,500 ordinary shares (the “Shares”), to a director and certain employees pursuant to the Biolidics Performance Share Plan. The Shares were granted at the fair value of \$0.39 per share, which was based on the market price of the shares on the date of grant. 2,521,000 Shares, which were subjected to a moratorium of 6 months from the date of allotment, were allotted and issued on 19 August 2020, pursuant to the vesting of the Awards. The Performance Share Plan was approved by the shareholders of the Company on 20 November 2018.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 6. EMPLOYEE BENEFITS EXPENSE (CONTINUED)

The details of the Performance Share Plan are described below:

Number of shares granted	(i) Up to 1,727,500 Shares ("Tranche 1") (ii) Up to 1,727,500 Shares ("Tranche 2") (iii) Up to 1,727,500 Shares ("Tranche 3")
Performance conditions	Group Financial and operating achievements
Vesting condition	Vesting of each tranche based on meeting specified performance conditions over each of the following performance period: (i) Tranche 1: Financial year ended 31 December 2020 (ii) Tranche 2: Financial year ending 31 December 2021 (iii) Tranche 3: Financial year ending 31 December 2022
Payout	0% – 150% depending on the achievement of specified performance targets over the respective performance period and requisite service period: (i) Tranche 1: Within 4 months from 1 January 2021 (ii) Tranche 2: Within 4 months from 1 January 2022 (iii) Tranche 3: Within 4 months from 1 January 2023

The share-based payment expense is recorded over the requisite service period, which is the vesting period. The expense recognised in profit or loss for the Performance Share Plan during the year is \$1,368,403.

There has been no cancellation or modification to the Performance Share Plan during the year.

Summarised information regarding the share-based payment activity and amounts for the director and employees of the Company for the year ended 31 December 2020 is as follows:

As at beginning of financial year	Granted during financial year	Vested during financial year	Forfeited during financial year	As at end of financial year	Fair value per share on grant date
Number of shares	Number of shares	Number of shares	Number of shares	Number of shares	\$
–	7,703,500	2,521,000	–	5,182,500	0.39

## 7. FINANCE COSTS

	Group	
	2020	2019
	\$	\$
Interest expense on borrowings	63,207	–
Interest expense on lease liabilities	25,930	6,349
Accretion of interest on deferred consideration	38,111	–
	<b>127,248</b>	<b>6,349</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 8. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group	
	2020	2019
	\$	\$
<u>Audit fees</u>		
– paid to auditors of the Group	110,000	80,000
<u>Non-audit fees</u>		
– paid to auditors of the Group	–	–
Amortisation of intangible assets	243,318	45,523
Depreciation of plant and equipment	452,619	317,415
Depreciation of right-of-use assets	300,398	276,805
Plant and equipment written off	5,198	35,128
Loss on disposal of plant and equipment	9,870	–
Intangible assets written off	–	89,941
Bad debts written off	22,126	2,398
Inventories written down	5,765	52,141
Inventories written off	58,178	–
Provision for unconsumed leave	37,155	–
Rental expenses	27,843	10,810
Travelling expenses	209,045	700,562
Professional fees (cash-settled)	1,868,596	868,902
Professional fees (equity-settled)	579,222	–
Sales and marketing expenses	108,058	171,956
Foreign exchange loss, net	545,420	13,095
Repairs and maintenance	75,901	80,118
Staff training	64,726	264,942
Delivery charges	23,896	77,761

### Research and development expense

Research and development expense are incurred for product and service development, research collaboration and testing purposes.

## 9. INCOME TAX CREDIT

The major components of income tax credit for the financial years ended 31 December 2020 and 2019 are:

	Group	
	2020	2019
	\$	\$
Current income tax	–	–
Deferred income tax		
– Origination and reversal of temporary differences (Note 25)	(33,009)	–
Income tax credit recognised in profit or loss	(33,009)	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 9. INCOME TAX CREDIT (CONTINUED)

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 is as follows:

	Group	
	2020	2019
	\$	\$
Loss before tax	<b>(4,683,811)</b>	(4,809,680)
Tax at the domestic rates applicable to profits in the countries where the Group operates	<b>(796,721)</b>	(817,646)
Non-deductible expenses	<b>483,629</b>	121,253
Income not subject to taxation	<b>(50,285)</b>	–
Deferred tax asset not recognised	<b>330,368</b>	696,393
	<b>(33,009)</b>	–

## 10. LOSS PER SHARE

Basic loss per share is calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the computation for basic and diluted loss per share for the financial years ended 31 December:

	Group	
	2020	2019
	\$	\$
Loss for the year, net of tax, attributable to owners of the Company used in the computations of basic and diluted loss per share	<b>(4,650,802)</b>	(4,809,680)
Weighted average number of shares for basic loss per share computation <sup>1</sup>	<b>257,466,000</b>	242,500,000
Effects of dilution:		
– Share awards pursuant to Biolidics Performance Share Plan	<b>484,524</b>	–
– Share awards granted as consideration in lieu of fees for the services rendered by third party individuals	<b>145,476</b>	–
Weighted average number of shares for diluted loss per share computation	<b>258,096,000</b>	242,500,000
Basic loss per share (cents)	<b>(1.81)</b>	(1.98)
Diluted loss per share (cents)	<b>(1.80)</b>	(1.98)

<sup>1</sup> Up to 1,927,800 share awards granted to employees under the Biolidics Performance Share Plan and up to 579,000 share awards granted as consideration in lieu of fees for the services rendered by third party individuals have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 11. PLANT AND EQUIPMENT

Group	Computer and office equipment \$	Laboratory equipment \$	Testing and trial equipment \$	Production, tooling and mould equipment \$	Renovation and furniture and fittings \$	Total \$
<b>Cost:</b>						
At 1 January 2019	81,317	326,925	1,175,307	694,516	147,464	2,425,529
Additions	36,435	326,901	–	84,548	113,818	561,702
Transfer from inventories	–	–	183,429	–	–	183,429
Disposals	–	(61,942)	(15,435)	–	–	(77,377)
Write-off	–	–	(156,668)	–	–	(156,668)
Transfer to inventories	–	–	(15,723)	–	–	(15,723)
At 31 December 2019 and 1 January 2020	117,752	591,884	1,170,910	779,064	261,282	2,920,892
Acquisition of a subsidiary	5,826	9,267	–	–	102,177	117,270
Additions	131,758	120,888	–	61,720	10,355	324,721
Transfer from inventories	–	–	70,334	–	–	70,334
Disposals	(18,315)	(2,420)	(125,852)	–	–	(146,587)
Write-off	–	–	(81,436)	–	–	(81,436)
Transfer to inventories	–	–	(14,067)	–	–	(14,067)
At 31 December 2020	<b>237,021</b>	<b>719,619</b>	<b>1,019,889</b>	<b>840,784</b>	<b>373,814</b>	<b>3,191,127</b>
<b>Accumulated depreciation and impairment:</b>						
At 1 January 2019	66,926	292,904	887,547	682,720	144,412	2,074,509
Charge for the year	11,654	69,201	220,399	9,513	6,648	317,415
Disposals	–	(61,942)	(15,435)	–	–	(77,377)
Write-off	–	–	(121,540)	–	–	(121,540)
Transfer to inventories	–	–	(6,988)	–	–	(6,988)
At 31 December 2019 and 1 January 2020	78,580	300,163	963,983	692,233	151,060	2,186,019
Charge for the year	29,855	156,823	122,897	48,024	95,020	452,619
Disposals	(17,765)	(2,420)	(116,532)	–	–	(136,717)
Write-off	–	–	(76,238)	–	–	(76,238)
Transfer to inventories	–	–	(6,252)	–	–	(6,252)
At 31 December 2020	<b>90,670</b>	<b>454,566</b>	<b>887,858</b>	<b>740,257</b>	<b>246,080</b>	<b>2,419,431</b>
<b>Carrying amount:</b>						
At 31 December 2019	39,172	291,721	206,927	86,831	110,222	734,873
At 31 December 2020	<b>146,351</b>	<b>265,053</b>	<b>132,031</b>	<b>100,527</b>	<b>127,734</b>	<b>771,696</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 11. PLANT AND EQUIPMENT (CONTINUED)

Company	Computer and office equipment \$	Laboratory equipment \$	Testing and trial equipment \$	Production, tooling and mould equipment \$	Renovation and furniture and fittings \$	Total \$
<b>Cost:</b>						
At 1 January 2019	81,317	326,925	1,175,307	694,516	147,464	2,425,529
Additions	36,435	326,901	–	84,548	113,818	561,702
Transfer from inventories	–	–	183,429	–	–	183,429
Disposals	–	(61,942)	(15,435)	–	–	(77,377)
Write-off	–	–	(156,668)	–	–	(156,668)
Transfer to inventories	–	–	(15,723)	–	–	(15,723)
At 31 December 2019 and 1 January 2020	117,752	591,884	1,170,910	779,064	261,282	2,920,892
Additions	131,758	120,888	–	61,720	10,355	324,721
Transfer from inventories	–	–	70,334	–	–	70,334
Disposals	(18,315)	(2,420)	(125,852)	–	–	(146,587)
Write-off	–	–	(81,436)	–	–	(81,436)
Transfer to inventories	–	–	(14,067)	–	–	(14,067)
At 31 December 2020	<b>231,195</b>	<b>710,352</b>	<b>1,019,889</b>	<b>840,784</b>	<b>271,637</b>	<b>3,073,857</b>
<b>Accumulated depreciation and impairment:</b>						
At 1 January 2019	66,926	292,904	887,547	682,720	144,412	2,074,509
Charge for the year	11,654	69,201	220,399	9,513	6,648	317,415
Disposals	–	(61,942)	(15,435)	–	–	(77,377)
Write-off	–	–	(121,540)	–	–	(121,540)
Transfer to inventories	–	–	(6,988)	–	–	(6,988)
At 31 December 2019 and 1 January 2020	78,580	300,163	963,983	692,233	151,060	2,186,019
Charge for the year	26,171	151,513	122,897	48,024	40,183	388,788
Disposals	(17,765)	(2,420)	(116,532)	–	–	(136,717)
Write-off	–	–	(76,238)	–	–	(76,238)
Transfer to inventories	–	–	(6,252)	–	–	(6,252)
At 31 December 2020	<b>86,986</b>	<b>449,256</b>	<b>887,858</b>	<b>740,257</b>	<b>191,243</b>	<b>2,355,600</b>
<b>Carrying amount:</b>						
At 31 December 2019	39,172	291,721	206,927	86,831	110,222	734,873
At 31 December 2020	<b>144,209</b>	<b>261,096</b>	<b>132,031</b>	<b>100,527</b>	<b>80,394</b>	<b>718,257</b>

### Impairment assessment of plant and equipment/plant and equipment written-off

The Group has carried out impairment assessment for plant and equipment by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 3.2 to the financial statements. The cash-generating units include plant and equipment, intangible assets and right-of-use assets. Based on the impairment assessment, no impairment is required as at 31 December 2020.

Notwithstanding the above, during the financial year, management determined certain equipment that were loaned out to collaboration partners and customers for which agreements have expired as at year-end to be non-recoverable. Accordingly, the carrying amount of these equipment of \$5,198 (2019: \$35,128) was written-off and recognised in profit or loss under the line item "other expenses".

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 12. INTANGIBLE ASSETS

Group	Accreditation \$	Patent rights \$	Trademark \$	Total \$
<b>Cost:</b>				
At 1 January 2019	–	601,528	51,705	653,233
Additions	–	106,004	18,426	124,430
Written off	–	(89,941)	–	(89,941)
At 31 December 2019 and 1 January 2020	–	617,591	70,131	687,722
Acquisition of a subsidiary	3,328,656	–	–	3,328,656
Additions	–	122,427	2,300	124,727
At 31 December 2020	<b>3,328,656</b>	<b>740,018</b>	<b>72,431</b>	<b>4,141,105</b>
<b>Accumulated amortisation:</b>				
At 1 January 2019	–	50,067	25,367	75,434
Charge for the year	–	39,480	6,043	45,523
At 31 December 2019 and 1 January 2020	–	89,547	31,410	120,957
Charge for the year	194,172	43,588	5,558	243,318
At 31 December 2020	<b>194,172</b>	<b>133,135</b>	<b>36,968</b>	<b>364,275</b>
<b>Carrying amount:</b>				
At 31 December 2019	–	528,044	38,721	566,765
At 31 December 2020	<b>3,134,484</b>	<b>606,883</b>	<b>35,463</b>	<b>3,776,830</b>
<b>Company</b>				
		Patent rights \$	Trademark \$	Total \$
<b>Cost:</b>				
At 1 January 2019		601,528	51,705	653,233
Additions		106,004	18,426	124,430
Written off		(89,941)	–	(89,941)
At 31 December 2019 and 1 January 2020		617,591	70,131	687,722
Additions		122,427	2,300	124,727
At 31 December 2020		<b>740,018</b>	<b>72,431</b>	<b>812,449</b>
<b>Accumulated amortisation:</b>				
At 1 January 2019		50,067	25,367	75,434
Charge for the year		39,480	6,043	45,523
At 31 December 2019 and 1 January 2020		89,547	31,410	120,957
Charge for the year		43,588	5,558	49,146
At 31 December 2020		<b>133,135</b>	<b>36,968</b>	<b>170,103</b>
<b>Carrying amount:</b>				
At 31 December 2019		528,044	38,721	566,765
At 31 December 2020		<b>606,883</b>	<b>35,463</b>	<b>642,346</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 12. INTANGIBLE ASSETS (CONTINUED)

### Impairment assessment of intangible assets/intangible assets written-off

The Group has carried out impairment assessment for intangible assets by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 3.2 to the financial statements. The cash-generating units include plant and equipment, intangible assets and right-of-use assets. Based on the impairment assessment, no impairment is required as at 31 December 2020.

During financial year ended 31 December 2019, a write-off of \$89,941 was recognised on certain professional fees relating to pending patent filing applications that were considered either no longer successful or abandoned. The amount written-off was recognised in profit or loss under the line item "other expenses".

## 13. GOODWILL

Goodwill arising from the acquisition of Biomedics Laboratory Pte Ltd represents the excess over fair value of assets and liabilities acquired.

	<b>2020</b>
	<b>\$</b>
<b>Carrying Amount:</b>	
At 1 January	–
Goodwill arising from acquisition	<b>625,983</b>
At 31 December	<b>625,983</b>

### Impairment assessment of goodwill

Goodwill acquired through business combination has been allocated to a single CGU, which is also one of the reportable segments, for impairment testing as follows:

	<b>2020</b>
	<b>\$</b>
Laboratory services	<b>625,983</b>

The recoverable amount of the CGU has been determined using income method based on cash flow projections from financial budgets approved by management covering a five-year period. The post-tax discount rate applied to the cash flow projections and the forecasted terminal growth rate used to extrapolate cash flow projections beyond the terminal year are as follows:

	<b>2020</b>
Terminal growth rate	<b>1%</b>
Post-tax discount rate	<b>13%</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 13. GOODWILL (CONTINUED)

*Key assumptions used in the fair value less cost of disposal calculations*

The calculations of the fair value less cost of disposal for the CGU are most sensitive to the following assumptions:

Assumption	Description
Terminal growth rate	The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGU.
Post-tax discount rate	Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

*Sensitivity to changes in assumptions*

With regards to the assessment of the fair value less cost of disposal for the CGU, the Group believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

## 14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020	2019
	\$	\$
Unquoted equity shares, at cost	<b>5,045,994</b>	1,463,252

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal place of business	Principal activities	Proportion of ownership interest	
			2020 %	2019 %
Biomedics Laboratory Pte. Ltd. <sup>(1)</sup>	Singapore	Provision of laboratory services	100	–
Biolidics (Shanghai) Co., Ltd. (明測生物醫藥(上海)有限公司) <sup>(2)</sup>	People's Republic of China	Technology development, technology transfer, marketing and sale of biomedical technology related products and services	100	100
Biolidics Pty Ltd <sup>(2)</sup>	Australia	Technology development, technology transfer, marketing and sale of biomedical technology related products and services	100	100

(1) Audited by Ernst & Young LLP, Singapore

(2) Not required to be audited under the law in the country of incorporation in the current financial year

On 26 May 2020, the Group completed the acquisition of the entire issued and paid-up share capital of Biomedics Laboratory Pte. Ltd. ("Biomedics Lab") with a subsidiary of the Company's shareholder for an aggregate consideration of \$3,500,000 payable if it is settled within 12 months from acquisition date. The consideration is increased to \$3,700,000 if it is settled after twelve months but no later than 24 months. The Group has the option to satisfy the deferred consideration at any time within 24 months from acquisition date. The Group shall grant a charge in respect of all the shares of Biomedics Lab as security for the payment of the consideration. Following the completion of acquisition, Biomedics Lab became a subsidiary of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The fair value of the identifiable assets and liabilities of Biomedics Lab as at the acquisition date were:

	<b>Fair value recognised on acquisition \$</b>
Plant and equipment	117,270
Right-of-use assets	247,705
Intangible assets	3,328,656
Cash and cash equivalents	10,021
Trade receivables	3,594
Prepayments	4,565
Other receivables	13,141
Inventories	66,653
<b>Total assets</b>	<b>3,791,605</b>
Trade payables	37,892
Other payables	10,565
Lease liabilities	229,426
Provision for reinstatement cost	4,990
Deferred tax liabilities	565,871
<b>Total liabilities</b>	<b>848,744</b>
Total identifiable net assets at fair value	2,942,861
Goodwill arising from acquisition	625,983
<b>Fair value of purchase consideration at acquisition</b>	<b>3,568,844</b>
<u>Consideration transferred</u>	
Cash paid	100,000
Fair value of deferred consideration	3,468,844
Fair value of purchase consideration at acquisition	3,568,844
<u>Effect of the acquisition on cash flows</u>	
	<b>2020 \$</b>
Consideration settled in cash	<b>100,000</b>
Less: cash and cash equivalents of subsidiary acquired	<b>(10,021)</b>
Net cash outflow on acquisition	<b>89,979</b>
<u>Deferred Consideration</u>	
	<b>2020 \$</b>
At acquisition	<b>3,468,844</b>
Accretion of interest	<b>38,111</b>
At end of the financial year	<b>3,506,955</b>

The deferred consideration is secured by a charge over the issued share capital of Biomedics Lab.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Trade and other receivables acquired

At the acquisition date, the carrying amount of the trade and other receivables amounted to \$16,735. As the amount is expected to be collected, the carrying amount approximates its fair value.

### Impact of the acquisition on profit or loss

From the acquisition date, Biomedics Lab contributed revenue of \$39,280 and loss of \$354,289 to the Group's loss for the year. If business combination had occurred on 1 January 2020, management estimates that the Group's revenue would have been higher by \$68,226 and the Group's loss for the year would have been higher by \$219,924.

## 15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash at banks	<b>7,484,005</b>	705,981	<b>7,273,251</b>	602,555
Cash on hand	<b>672</b>	661	<b>672</b>	661
Short-term deposits	<b>3,184,784</b>	5,323,000	<b>1,750,000</b>	4,000,000
	<b>10,669,461</b>	6,029,642	<b>9,023,923</b>	4,603,216

Short-term deposits earn interest at the respective short-term deposit rates. The weighted average effective interest rate for short-term deposits is 1.14% (2019: 1.69%) per annum.

Cash and cash equivalents denominated in foreign currencies, other than functional currencies of the Company or subsidiaries, are as follows:

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
United States Dollar	<b>4,676,247</b>	41,705	<b>4,676,247</b>	41,705
Euro	<b>34,157</b>	185,526	<b>34,157</b>	185,526
Pound Sterling	<b>54,917</b>	58,529	<b>54,917</b>	58,529

## 16. TRADE RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Trade receivables:				
– third parties	<b>201,741</b>	223,923	<b>176,294</b>	223,923
– subsidiary	<b>–</b>	–	<b>181,970</b>	594
	<b>201,741</b>	223,923	<b>358,264</b>	224,517
Allowance for expected credit losses	<b>–</b>	–	<b>–</b>	–
	<b>201,741</b>	223,923	<b>358,264</b>	224,517

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 16. TRADE RECEIVABLES (CONTINUED)

### Trade receivables – third parties

Trade receivables due from third parties are non-interest bearing and are generally on 30 days' (2019: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

### Trade receivables – subsidiary

Trade receivables due from a subsidiary are unsecured, non-interest bearing and repayable on demand.

### Expected credit losses ("ECL")

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to past default experience and ECL of the debtor, ranging from 5% to 20% (2019: 5% to 20%) for receivables that are current to less than 12 months past due, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Trade receivables denominated in foreign currencies, other than functional currencies of the Company or subsidiaries, as at 31 December are as follows:

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
United States Dollar	<b>9,858</b>	24,561	<b>191,828</b>	25,148
Euro	<b>118,664</b>	21,894	<b>118,664</b>	21,894
Pound Sterling	–	6,529	–	6,529

### Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to \$91,494 as at 31 December 2020 (2019: \$72,062) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group	
	2020	2019
	\$	\$
Trade receivables past due but not impaired:		
– lesser than 30 days	<b>19,091</b>	15,384
– 30 to 60 days	<b>42,154</b>	11,883
– 61 to 90 days	<b>16,645</b>	2,075
– 91 to 120 days	<b>4,770</b>	–
– more than 120 days	<b>8,834</b>	42,720
	<b>91,494</b>	72,062

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 16. TRADE RECEIVABLES (CONTINUED)

### Expected credit losses ("ECL") (Continued)

Receivables that are past due but not impaired (Continued)

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	<b>Group and Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Movement in allowance accounts: At 1 January and 31 December	-	-

In addition to the allowance for expected credit loss, the Group recorded \$22,126 (2019: \$2,398) of trade receivable written off during the financial year ended 31 December 2020.

## 17. OTHER RECEIVABLES

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Refundable deposits	<b>102,166</b>	112,023	<b>88,466</b>	112,023
Goods and Services Tax receivable	<b>6,768</b>	50,396	<b>5,879</b>	50,396
Accrued interest	<b>43</b>	4,333	-	3,592
Grant receivable	<b>31,315</b>	-	<b>31,315</b>	-
Other receivables:				
– third parties	<b>53,175</b>	1,000	<b>53,175</b>	1,000
– subsidiary	-	-	<b>285,000</b>	6,396
– shareholder	<b>3,698</b>	3,831	<b>3,698</b>	3,831
	<b>197,165</b>	171,583	<b>467,533</b>	177,238
Add: Cash and cash equivalents	<b>10,669,461</b>	6,029,642	<b>9,023,923</b>	4,603,216
Add: Trade receivables	<b>201,741</b>	223,923	<b>358,264</b>	224,517
Less: Goods and Services Tax receivables	<b>(6,768)</b>	(50,396)	<b>(5,879)</b>	(50,396)
Less: Grant receivable	<b>(31,315)</b>	-	<b>(31,315)</b>	-
Total financial assets carried at amortised cost	<b>11,030,284</b>	6,374,752	<b>9,812,526</b>	4,954,575

### Deposits

Deposits relate to deposits paid for office lease and outsourced payroll services.

### Other receivables due from third parties

Other receivables due from third parties are unsecured, non-interest bearing and repayable on demand.

### Related party balances

The Group's non-trade amount due from a shareholder and the Company's non-trade amounts due from a shareholder and a subsidiary are unsecured, non-interest bearing and repayable on demand. The amounts due from related parties are to be settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 18. INVENTORIES

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Balance sheet:</b>				
Finished goods	<b>1,346,574</b>	636,742	<b>1,325,127</b>	636,460
Spare parts	<b>263,437</b>	266,871	<b>263,437</b>	266,871
	<b>1,610,011</b>	903,613	<b>1,588,564</b>	903,331
<b>Income statement:</b>				
Inventories recognised as an expense in cost of sales	<b>5,462,677</b>	471,952	<b>5,365,158</b>	472,234
Inclusive of the following charge:				
– Inventories written down	<b>5,765</b>	52,141	<b>5,765</b>	52,141
– Allowance for inventories	<b>18,941</b>	–	<b>18,941</b>	–
Inventories recognised as an expense in other expenses				
– Inventories written off	<b>58,178</b>	–	–	–

## 19. TRADE PAYABLES

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Trade payables:				
– third parties	<b>132,315</b>	468,726	<b>119,011</b>	468,726
– related party <sup>(1)</sup>	<b>11,126</b>	54,190	<b>11,126</b>	54,190
	<b>143,441</b>	522,916	<b>130,137</b>	522,916

(1) Related party refers to a company for which a director has control.

### Trade payables – third parties

These amounts are non-interest bearing and are normally settled on 30 days' (2019: 30 days') terms in cash.

### Related party balances

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Trade payables denominated in foreign currencies, other than functional currencies of the Company or subsidiaries, as at 31 December are as follows:

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
United States Dollar	<b>2,600</b>	24,561	<b>1,851</b>	2,825
Euro	–	11,211	–	11,211

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 20. OTHER PAYABLES

	Group		Company	
	2020 \$	2019 \$	2020 \$	2019 \$
Accruals	514,780	303,457	504,598	302,039
Advances from third parties	107,269	26,496	107,269	26,496
Amounts due to related parties <sup>(1)</sup>	–	24,634	–	24,634
Provision for warranty services	26,440	54,535	26,440	54,535
Others	132,719	205,470	132,719	205,470
	<b>781,208</b>	614,592	<b>771,026</b>	613,174
Add: Trade payables	143,441	522,916	130,137	522,916
Add: Lease liabilities	642,861	536,628	424,325	536,628
Add: Borrowings	4,632,850	–	4,632,850	–
Add: Deferred consideration	3,506,955	–	3,506,955	–
Less: Provision for warranty services	(26,440)	(54,535)	(26,440)	(54,535)
Less: Advances from third parties	(107,269)	(26,496)	(107,269)	(26,496)
Total financial liabilities carried at amortised cost	<b>9,573,606</b>	1,593,105	<b>9,331,584</b>	1,591,687

(1) Related parties refer to subsidiaries of a shareholder of the Company.

### Accruals

Accruals are made in relation to royalty fees, professional fees and employee benefits expense.

### Related party balances

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

## 21. CONTRACT LIABILITIES

	Group and Company	
	2020 \$	2019 \$
Sale of extended warranty services <sup>(1)</sup>	35,607	95,113
Amount invoiced in advance of delivery of goods <sup>(2)</sup>	148,432	64,605
Sale of preventive maintenance services <sup>(3)</sup>	926	17,095
	<b>184,965</b>	176,813

(1) Revenue from sale of extended warranty services is recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for revenue relating to the warranty services at the time of the initial sales transaction and is recognised as revenue over the period the warranty services are provided.

(2) For goods sold, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods is being delivered to the customer. When the Group bills the customer in advance, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

(3) Revenue from sale of preventive maintenance services is recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for revenue relating to the services at the time of the initial sales transaction and is recognised as revenue over the period the services are provided.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 21. CONTRACT LIABILITIES (CONTINUED)

	Group and Company	
	2020	2019
	\$	\$
Analysed as:		
Current <sup>(1)</sup>	<b>184,965</b>	141,933
Non-current <sup>(2)</sup>	-	34,880
	<b>184,965</b>	176,813

- (1) Included in the current portion is the full amount of \$148,432 (2019: \$64,605) for amount invoiced in advance of delivery of goods. The delivery of goods is determined by the customer, and the Group has no control over the point in time that these contracts will be satisfied. Accordingly, management has classified the full amount as a current liability. The remaining amount of \$36,533 (2019: \$77,328) relates to warranty and preventive maintenance services for periods due within 1 year from the date of financial statements.
- (2) Included in the non-current portion is the sale of extended warranty services for which for warranty periods extend beyond 1 year from the date of financial statements.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities are explained as follows:

	Group and Company	
	2020	2019
	\$	\$
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
- sale of extended warranty services	<b>59,507</b>	60,975
- amount invoiced in advance of delivery of goods	<b>47,718</b>	69,296
- sale of preventive maintenance services	<b>17,095</b>	-
	<b>124,320</b>	130,271

## 22. LEASES

### Group as a lessee

The Group has lease contracts for office and warehouse premises, laboratory space, and office and laboratory equipment used in its operations. Leases of office premise, laboratory space and warehouse premise generally have lease terms between 1 and 3 years, while office and laboratory equipment generally have lease terms of 3 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are no lease contracts that include extension or termination options and variable lease payments.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 22. LEASES (CONTINUED)

### Group as a lessee (Continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group	Office and warehouse premises and laboratory space \$	Office and laboratory equipment \$	Total \$
At 1 January 2019	214,949	–	214,949
Additions	197,519	466,287	663,806
Depreciation expense	(234,376)	(42,429)	(276,805)
At 31 December 2019 and 1 January 2020	178,092	423,858	601,950
Acquisition of a subsidiary	33,553	214,152	247,705
Additions	85,082	6,669	91,751
Depreciation expense	(106,302)	(194,096)	(300,398)
Termination of lease	(5,934)	–	(5,934)
At 31 December 2020	<b>184,491</b>	<b>450,583</b>	<b>635,074</b>

### Impairment assessment of right-of-use assets

The Group has carried out impairment assessment for right-of-use assets by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 3.2 to the financial statements. The cash-generating units include plant and equipment, intangible assets and right-of-use assets. Based on the impairment assessment, no impairment is required as at 31 December 2020.

The carrying amounts of lease liabilities and the movements during the period are set out below:

Group	2020 \$	2019
At 1 January	<b>536,628</b>	214,949
Acquisition of a subsidiary	<b>229,426</b>	–
Additions	<b>91,751</b>	572,089
Accretion of interest	<b>25,930</b>	6,349
Payments	<b>(230,093)</b>	(253,709)
Accrued lease payments	<b>(4,746)</b>	(3,050)
Termination of lease	<b>(6,035)</b>	–
At 31 December	<b>642,861</b>	536,628
Analysed as:		
Current	<b>264,953</b>	139,659
Non-current	<b>377,908</b>	396,969
	<b>642,861</b>	536,628

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 22. LEASES (CONTINUED)

### Group as a lessee (Continued)

Impairment assessment of right-of-use assets (Continued)

A maturity analysis of lease liabilities is as follows:

Group	Interest rate %	Maturity	2020 \$	2019 \$
Current portion of lease liabilities	2.08 – 5.25 (2019: 2.08 – 5.25)	2021 (2019: 2020)	<b>264,953</b>	139,659
Non-current portion of lease liabilities	2.08 – 5.25 (2019: 2.08 – 5.25)	2022 – 2024 (2019: 2021 – 2024)	<b>377,908</b>	396,969
			<b>642,861</b>	536,628

The following are the amounts recognised in profit or loss:

Group	2020 \$	2019 \$
Depreciation of right-of-use assets	<b>300,398</b>	276,805
Interest expense on lease liabilities	<b>25,930</b>	6,349
Expense relating to short-term leases (included in other expenses)	<b>27,843</b>	10,810
Total amount recognised in profit or loss	<b>354,171</b>	293,964

The Group had total cash outflows for leases of \$257,936 in 2020 (2019: \$264,519). The Group also had non-cash additions to right-of-use assets and lease liabilities of \$91,751 in 2020 (2019: \$572,089). The future cash outflows relating to leases that had not yet commenced are disclosed in Note 29 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 22. LEASES (CONTINUED)

### Company as a lessee

The Company has lease contracts for office and warehouse premises, and office and laboratory equipment used in its operations. Leases of office and warehouse premises generally have lease terms between 1 and 3 years, while office and laboratory equipment generally have lease terms of 3 to 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are no lease contracts that include extension or termination options and variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Company	Office and warehouse premises \$	Office and laboratory equipment \$	Total \$
At 1 January 2019	214,949	–	214,949
Additions	197,519	466,287	663,806
Depreciation expense	(234,376)	(42,429)	(276,805)
At 31 December 2019 and 1 January 2020	<b>178,092</b>	<b>423,858</b>	<b>601,950</b>
Additions	<b>32,553</b>	–	<b>32,553</b>
Depreciation expense	<b>(72,749)</b>	<b>(155,429)</b>	<b>(228,178)</b>
Termination of lease	<b>(5,934)</b>	–	<b>(5,934)</b>
At 31 December 2020	<b>131,962</b>	<b>268,429</b>	<b>400,391</b>

The carrying amounts of lease liabilities and the movements during the period are set out below:

Company	2020 \$	2019
At 1 January	<b>536,628</b>	214,949
Additions	<b>32,553</b>	572,089
Accretion of interest	<b>21,232</b>	6,349
Payments	<b>(160,053)</b>	(253,709)
Accrued lease payments	–	(3,050)
Termination of lease	<b>(6,035)</b>	–
At 31 December	<b>424,325</b>	536,628
Analysed as:		
Current	<b>149,649</b>	139,659
Non-current	<b>274,676</b>	396,969
	<b>424,325</b>	536,628

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 22. LEASES (CONTINUED)

### Company as a lessee (Continued)

A maturity analysis of lease liabilities is as follows:

Company	Interest rate %	Maturity	2020 \$	2019 \$
Current portion of lease liabilities	2.08 – 5.25 (2019: 2.08 – 5.25)	2021 (2019: 2020)	<b>149,649</b>	139,659
Non-current portion of lease liabilities	2.08 – 5.25 (2019: 2.08 – 5.25)	2022 – 2024 (2019: 2021 – 2024)	<b>274,676</b>	396,969
			<b>424,325</b>	536,628

## 23. BORROWINGS

The carrying amounts of borrowings and the movements during the period are set out below:

Group and Company	2020 \$
At 1 January 2020	–
Additions	<b>5,000,000</b>
Accretion of interest	<b>63,207</b>
Payments	<b>(430,357)</b>
At 31 December 2020	<b>4,632,850</b>
Analysed as:	
Current	<b>869,337</b>
Non-current	<b>3,763,513</b>
	<b>4,632,850</b>

A maturity analysis of borrowings is as follows:

Group and Company	Effective interest rate	Maturity	2020 \$
Current portion of bank loans	2.50 – 3.00	2021	<b>869,337</b>
Non-current portion of bank loans	2.50 – 3.00	2022 – 2025	<b>3,763,513</b>
			<b>4,632,850</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 24. DEFERRED GRANT INCOME

	<b>Group and Company 2020 \$</b>
<b>Cost:</b>	
At beginning of the year	-
Additions	<u>274,655</u>
At end of the year	<b>274,655</b>
<b>Accumulated amortisation:</b>	
At beginning of the year	-
Recognised in profit or loss	<u>226,916</u>
At end of the year	<b><u>47,739</u></b>

Deferred grant income relates to government grants to provide wage support to the Group to retain local employees during the period of economic uncertainty ("JSS Grant"). The amount of JSS Grant income recognised in profit or loss has been recorded as other income in the statement of comprehensive income. The Group's entitlement to government grants as at 31 December 2020, net of receipts, is presented as grant receivable and included in other receivables (Note 17).

## 25. DEFERRED TAX LIABILITIES

Deferred tax as at 31 December 2020 and 2019 relates to the following:

	<b>Group 2020 \$</b>
Balance as at 1 January	-
Deferred tax liabilities arising from the acquisition of a subsidiary	<b>565,871</b>
Reversed to profit or loss (Note 9)	<u>(33,009)</u>
Balance as at 31 December	<b><u>532,862</u></b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 25. DEFERRED TAX LIABILITIES (CONTINUED)

As at 31 December 2020, the Group has unutilised tax losses and unabsorbed capital allowances amounting to approximately \$43,163,000 (2019: \$41,783,000) and \$752,000 (2019: \$396,000) respectively that are available for offset against future taxable profits of the respective companies in which the temporary differences arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The tax losses of the China subsidiary can only be utilised within the five-year period commencing from the year in which the loss is incurred. The use of these capital allowances and tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. These capital allowances and tax losses have no expiry date except for the following tax loss amounts:

	2020 \$	2019 \$
Expiring in:		
Year 2024	5,351	5,351
Year 2025	71,898	–

## 26. SHARE CAPITAL

	2020 No. of shares	2020 \$	Group and Company	
			2019 No. of shares	2019 \$
<b>Issued and fully paid ordinary shares:</b>				
At the beginning of the year	242,500,000	53,798,878	242,500,000	53,798,878
Share issuance during the year (Note)	21,547,000	4,563,860	–	–
Share issuance expense	–	(28,000)	–	–
At the end of the year	<b>264,047,000</b>	<b>58,334,738</b>	242,500,000	53,798,878

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Note:

- (1) On 27 March 2020, the Company issued 17,858,000 ordinary shares (“**Placement Shares**”) at the price of \$0.175 for each Placement Share, amounting to an aggregate placement consideration of approximately \$3.1 million.
- (2) On 19 August 2020, the Company issued 2,521,000 ordinary shares pursuant to the Company’s performance share plan. Please refer to Note 6 for more information.
- (3) On 31 August 2020, the Company issued 1,168,000 ordinary shares as consideration in lieu of fees for the services rendered by third party individuals to the Group. Please refer to Note 27 for more information.

## 27. SHARE-BASED PAYMENT RESERVE

Share-based payment reserve represents the equity-settled performance shares granted to directors and employees pursuant to the Plan, as disclosed in Note 6, and equity-settled shares granted to third party individuals as consideration in lieu of fees for their services rendered and in part as performance based incentives for future performance of such service, as disclosed below.

The share awards were granted to the third party individuals at the fair value of \$0.39 per share, which was based on the market price of the shares on the date of grant. 1,168,000 shares, which were subjected to a moratorium of 6 months from the date of allotment, were allotted and issued on 31 August 2020, pursuant to the vesting of the share awards.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 27. SHARE-BASED PAYMENT RESERVE (CONTINUED)

The details of the equity-settled shares granted to third party individuals are described below:

Number of shares granted	(i) Up to 518,500 Shares (“Tranche 1A”) (ii) Up to 518,500 Shares (“Tranche 2A”) (iii) Up to 518,500 Shares (“Tranche 3A”)
Performance conditions	Group Financial and operating achievements
Vesting condition	Vesting of each tranche based on meeting specified performance conditions over each of the following performance period: (i) Tranche 1A: Financial year ended 31 December 2020 (ii) Tranche 2A: Financial year ending 31 December 2021 (iii) Tranche 3A: Financial year ending 31 December 2022
Payout	0% – 150% depending on the achievement of specified performance targets over the respective performance period and requisite service period: (i) Tranche 1A: Within 4 months from 1 January 2021 (ii) Tranche 2A: Within 4 months from 1 January 2022 (iii) Tranche 3A: Within 4 months from 1 January 2023

The share-based payment expense is recorded over the requisite service period, which is the vesting period. The expense recognised in profit or loss for the share awards granted to third party individuals during the year is \$579,222.

Summarised information regarding the share-based payment activity and amounts for the third party individuals for the year ended 31 December 2020 is as follows:

As at beginning of financial year Number of shares	Granted during financial year Number of shares	Vested during financial year Number of shares	Forfeited during financial year Number of shares	As at end of financial year Number of shares	Grant date fair value for outstanding units \$
–	2,723,500	1,168,000	–	1,555,500	0.39



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 28. RELATED PARTY TRANSACTIONS

- (a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group		Company	
	2020 \$	2019 \$	2020 \$	2019 \$
<i>Subsidiaries of a shareholder of the Company</i>				
Rental expenses	(39,125)	(4,575)	(7,625)	(4,575)
Receipt of management and support services	(42,920)	(13,953)	(42,920)	–
Rendering of laboratory services	19,420	–	–	–
Sale of products	5,264,936	–	5,264,936	–
Recharge of expenses to the Group and Company	(51,000)	(191,239)	(39,627)	(191,239)
Recharge of expenses from the Group and Company	39,229	–	38,466	–
<i>Company related to a director of the Company</i>				
Purchases of inventories	(85,645)	(149,431)	(85,645)	(149,431)
Receipt of packaging and labelling service	(182,939)	–	(182,939)	–
<i>Shareholder of the Company</i>				
Secondment of staff	(143,852)	(158,859)	(143,852)	(158,859)
Recharge of expenses to the Group and Company	(583)	(37,117)	(583)	(37,117)
Recharge of expenses from the Group and Company	3,698	–	3,698	–

The balances are unsecured, non-interest bearing, repayable on demand and expected to be settled in cash unless otherwise stated. No guarantees have been given or received.

### (b) Compensation of directors and key management personnel

Directors and key management personnel compensation included in employee benefits expense comprise:

	Group and Company	
	2020 \$	2019 \$
Short-term benefits	729,276	675,742
CPF contribution	45,475	44,622
Share-based payment	1,224,961	–
	<b>1,999,712</b>	<b>720,364</b>

The compensation of directors and key management is determined by the board of directors having regard to the performance of individuals.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk.

The Group has documented policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

In order to minimise credit risk, the Group has a policy that requests first-time customers to make advance payment prior to the delivery of the goods. Subsequently, the Group uses the customers' payment history and any publicly available information to assess its customers and other debtors. The Group's exposure and the payment history of its customers are continuously monitored and any new orders from customers with long overdue payment will be put on hold until they settle their payments.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments within 12 months when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

The Group considers available reasonable and supportive forward-looking information which includes actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is past due for more than 30 days past due in making contractual payment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 12 months past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery, such as a debtor failing to engage in a repayment plan with the Group. None of the trade receivables that have been written-off is subject to enforcement activities.

The Group uses three categories of internal credit risk ratings for debt instruments which reflect their credit risk and how the loss provision is determined for each of those categories. In determining the expected credit loss ("ECL"), the Group considers the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

#### *Other receivables*

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

#### *Trade receivables*

The Group applies a simplified approach in calculating ECLs for trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The assessment of the credit quality and exposure to credit risk of the Group's trade receivables has been disclosed in Note 16 to the financial statements.

As disclosed in Note 16, no expected credit loss has been recorded by the Group as at 31 December 2020 and 2019.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for trade receivables and other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

#### *Excessive risk concentration*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

#### *Credit risk concentration profile*

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2020		Group		2019	
	\$	% of	\$	% of	\$	% of
<i>By country:</i>						
Czech Republic	69,451	34%	–	–	–	–
France	45,090	22%	11,883	5%	11,883	5%
Japan	29,601	15%	–	–	–	–
Singapore	25,483	13%	129,930	58%	129,930	58%
Philippines	15,225	8%	–	–	–	–
Thailand	7,811	4%	–	–	–	–
United States of America	4,958	2%	21,792	10%	21,792	10%
Denmark	4,051	2%	7,476	3%	7,476	3%
Malaysia	–	–	41,017	19%	41,017	19%
United Kingdom	–	–	6,296	3%	6,296	3%
Other countries	71	n.m.	5,529	2%	5,529	2%
Total	201,741	100%	223,923	100%	223,923	100%

The Group is dependent on a relatively small group of customers for a substantial portion of its business. As at the end of the reporting period, approximately 56% (2019: 53%) of the Group's trade receivables was due from 2 (2019: 1) customers, which amounted to \$114,541 (2019: \$117,700).

Apart from the above, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Liquidity risk (Continued)

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

As at 31 December 2020, the Group's net current assets amounted to \$10,653,786 (2019: \$6,299,064) with a cash position of \$10,669,461 (2019: \$6,029,642). Management is of the opinion that the Group and Company will have sufficient cash flows to be able to meet its liabilities and other obligations as and when they fall due for the next twelve months.

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less \$	2020 One to five years \$	Total \$
<b>Group</b>			
<i>Financial assets</i>			
Trade receivables	201,741	–	201,741
Other receivables	159,082	–	159,082
Cash and cash equivalents	10,669,461	–	10,669,461
Total undiscounted financial assets	<b>11,030,284</b>	–	<b>11,030,284</b>
<i>Financial liabilities</i>			
Trade payables	143,441	–	143,441
Other payables	647,499	–	647,499
Lease liabilities	286,568	394,140	680,708
Borrowings	988,798	3,957,482	4,946,280
Deferred consideration	–	3,600,000	3,600,000
Total undiscounted financial liabilities	<b>2,066,306</b>	<b>7,951,622</b>	<b>10,017,928</b>
Total net undiscounted financial assets/(liabilities)	<b>8,963,978</b>	<b>(7,951,622)</b>	<b>1,012,356</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Liquidity risk (Continued)

*Analysis of financial instruments by remaining contractual maturities (Continued)*

	2019		
	One year or less \$	One to five years \$	Total \$
<b>Group</b>			
<i>Financial assets</i>			
Trade receivables	223,923	–	223,923
Other receivables	121,187	–	121,187
Cash and cash equivalents	6,029,642	–	6,029,642
Total undiscounted financial assets	6,374,572	–	6,374,572
<i>Financial liabilities</i>			
Trade payables	522,916	–	522,916
Other payables	533,561	–	533,561
Lease liabilities	160,433	424,470	584,903
Total undiscounted financial liabilities	1,216,190	424,470	1,640,660
Total net undiscounted financial assets/(liabilities)	5,158,382	(424,470)	4,733,912
	2020		
	One year or less \$	One to five years \$	Total \$
<b>Company</b>			
<i>Financial assets</i>			
Trade receivables	358,264	–	358,264
Other receivables	430,339	–	430,339
Cash and cash equivalents	9,023,923	–	9,023,923
Total undiscounted financial assets	9,812,526	–	9,812,526
<i>Financial liabilities</i>			
Trade payables	130,137	–	130,137
Other payables	637,317	–	637,317
Lease liabilities	165,068	288,002	453,070
Borrowings	988,798	3,957,482	4,946,280
Deferred consideration	–	3,600,000	3,600,000
Total undiscounted financial liabilities	1,921,320	7,845,484	9,766,804
Total net undiscounted financial assets/(liabilities)	7,891,206	(7,845,484)	45,722

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Liquidity risk (Continued)

*Analysis of financial instruments by remaining contractual maturities (Continued)*

	<b>One year or less \$</b>	<b>2019 One to five years \$</b>	<b>Total \$</b>
<b>Company</b>			
<i>Financial assets</i>			
Trade receivables	224,517	–	224,517
Other receivables	126,842	–	126,842
Cash and cash equivalents	4,603,216	–	4,603,216
Total undiscounted financial assets	4,954,575	–	4,954,575
<i>Financial liabilities</i>			
Trade payables	522,916	–	522,916
Other payables	532,143	–	532,143
Lease liabilities	160,433	424,470	584,903
Total undiscounted financial liabilities	1,215,492	424,470	1,639,962
Total net undiscounted financial assets/(liabilities)	3,739,083	(424,470)	3,314,613

### (c) Foreign currency risk

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:

	<b>Group</b>			
	<b>Liabilities</b>		<b>Assets</b>	
	<b>2020 \$</b>	<b>2019 \$</b>	<b>2020 \$</b>	<b>2019 \$</b>
US Dollar	13,718	28,488	4,686,106	66,266
Euro	–	16,562	152,822	207,420
Pound Sterling	–	–	54,917	65,058
<hr/>				
	<b>Company</b>			
	<b>Liabilities</b>		<b>Assets</b>	
	<b>2020 \$</b>	<b>2019 \$</b>	<b>2020 \$</b>	<b>2019 \$</b>
US Dollar	12,969	28,488	4,868,076	66,853
Euro	–	16,562	152,822	207,420
Pound Sterling	–	–	54,917	65,058

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Foreign currency risk (Continued)

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. 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:

	Group	
	2020	2019
	\$	\$
US Dollar impact	46,724	378
Euro impact	1,528	1,909
Pound Sterling impact	549	651

## 30. CAPITAL MANAGEMENT

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 equity balance. The capital structure of the Group consists of equity attributable to owners of the parent, comprising share capital and reserves.

The Group's capital management objectives are to safeguard its ability to continue as a going concern and to maximise shareholder value. Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt.

The Group's overall strategy remains unchanged from the prior year.

## 31. SEGMENT INFORMATION

For management purposes and resource allocation, the Group is organised into business operating units based on reports reviewed by the management team that are used to make strategic decisions.

During the year, the Group expanded its business to include two new business segments comprising the Infectious diseases and Laboratory services. This forms the basis of identifying the segments of the Group under SFRS(I) 8 *Operating Segments* as follows and accordingly, the comparative figures in the segment reporting have been re-presented to reflect the identified segmental performance:

### (a) Cancer

The cancer segment involves the identifying and assessing potential collaboration partners, technology, products and services, product development, innovation and improvement and the management of global distributorship network and direct customers in the cancer field.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 31. SEGMENT INFORMATION (CONTINUED)

### (b) Infectious diseases

The infectious diseases segment involves the identifying and assessing potential collaboration partners, technology, products and services, product development, innovation and improvement and the management of global distributorship network and direct customers in the infectious diseases field.

### (c) Laboratory services

The laboratory services segment involves the business, operation and provision of laboratory services to customers.

### (d) 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 to the financial statements. 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 31. SEGMENT INFORMATION (CONTINUED)

### (d) Corporate segment (Continued)

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Cancer \$	Infectious diseases \$	Laboratory services \$	Corporate segment \$	Total \$
<b>2020</b>					
<b>Revenue:</b>					
External customers	1,061,202	7,806,886	39,280	–	8,907,368
Inter-segment	–	–	–	–	–
Total revenue	<b>1,061,202</b>	<b>7,806,886</b>	<b>39,280</b>	<b>–</b>	<b>8,907,368</b>
<b>Segment results:</b>					
Other income	–	–	3,690	620,754	624,444
Employee benefits expense	(193,406)	(137,956)	(38,949)	(2,365,527)	(2,735,838)
Depreciation expense	(490,706)	–	(136,052)	(126,259)	(753,017)
Amortisation expense	(49,146)	–	(194,172)	–	(243,318)
Research and development expense	(715,300)	(162,089)	–	–	(877,389)
Other expenses	(415,272)	(559,501)	(227,347)	(2,803,053)	(4,005,173)
Impairment loss	–	–	–	(5,198)	(5,198)
Finance costs	–	–	(4,696)	(122,552)	(127,248)
Segment loss before tax	<b>(1,253,262)</b>	<b>1,958,990</b>	<b>(587,704)</b>	<b>(4,801,835)</b>	<b>(4,683,811)</b>
Income tax credit	–	–	33,009	–	33,009
Segment loss after tax	<b>(1,253,262)</b>	<b>1,958,990</b>	<b>(554,695)</b>	<b>(4,801,835)</b>	<b>(4,650,802)</b>
<b>Assets:</b>					
Additions to non-current assets	<b>377,670</b>	–	–	<b>142,113</b>	<b>519,783</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 31. SEGMENT INFORMATION (CONTINUED)

### (d) Corporate segment (Continued)

Segment revenue and results (Continued)

	Cancer \$	Corporate segment \$	Total \$
<b>2019</b>			
<b>Revenue:</b>			
External customers	1,438,080	–	1,438,080
Inter-segment	–	–	–
Total revenue	1,438,080	–	1,438,080
<b>Segment results:</b>			
Other income	–	216,638	216,638
Employee benefits expense	(499,093)	(1,006,448)	(1,505,541)
Depreciation expense	(341,542)	(252,678)	(594,220)
Amortisation expense	(45,523)	–	(45,523)
Research and development expense	(1,231,330)	–	(1,231,330)
Other expenses	(692,464)	(1,881,891)	(2,574,355)
Impairment loss	–	(35,128)	(35,128)
Finance costs	–	(6,349)	(6,349)
Segment loss before tax	(1,843,824)	(2,965,856)	(4,809,680)
Income tax expense	–	–	–
Segment loss after tax	(1,843,824)	(2,965,856)	(4,809,680)
<b>Assets:</b>			
Additions to non-current assets	1,185,595	562,721	1,748,316

Geographical information

Revenue information based on the geographical location of customers are as follows:

	Cancer		Infectious diseases		Laboratory services	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
<b>Segment revenue</b>						
Singapore	66,824	160,854	2,544,306	–	5,596	–
Japan	162,855	537,899	154,000	–	–	–
China	334,822	209,299	–	–	–	–
Europe	235,688	196,658	43,949	–	–	–
United States	29,079	47,353	172,337	–	–	–
Hong Kong	212,950	177,967	350,253	–	–	–
Philippines	–	–	2,540,000	–	–	–
Indonesia	9,100	–	1,989,628	–	–	–
Others	9,884	108,050	12,413	–	33,684	–
	1,061,202	1,438,080	7,806,886	–	39,280	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

## 31. SEGMENT INFORMATION (CONTINUED)

### (d) Corporate segment (Continued)

#### Information about major customers

Revenue from three (2019: two) major customers amount to \$7,127,113 (2019: \$663,768), arising from sales by the Infectious diseases segment (2019: Cancer segment).

## 32. CONTINGENT LIABILITY

On 16 October 2020, the Company issued a letter of demand to Sysmex Corporation (“Sysmex”) in connection with its claim that Sysmex has breached its obligations under a collaboration agreement for the joint development of biochips entered between the Company and Sysmex (the “development agreement”) on 14 March 2016 when it was found that Sysmex had, without prior agreement of the Company, filed certain patent applications in the US, China, Japan and Europe that contained intellectual property, technical information, and/or know-how that either belonged to the Company and/or qualified as newly developed or jointly-developed intellectual property under the development agreement.

On 4 November 2020, the Company received a counterclaim by Sysmex wherein Sysmex alleges the Company had breached its obligations under a feasibility study agreement entered between the Company and Sysmex on 1 August 2014 when the Company filed a patent application under the patent co-operation treaty on 4 May 2016 that contained intellectual property that may have belonged to Sysmex. In this regard, Sysmex claimed that the Company’s patents should be converted to one of joint ownership between the Company and Sysmex (with all costs and expenses to be borne by the Company).

The Group has been advised by its legal advisors that the counterclaim is wholly without merit. Accordingly, no provision for any liability has been made in these financial statements.

## 33. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Directors on 13 April 2021.

# STATISTICS OF SHAREHOLDINGS

AS AT 1 APRIL 2021

Number of issued shares	:	264,047,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

## SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 1 April 2021, approximately 63.69% of the total number of issued ordinary shares of the Company was held by the public as defined in the Catalyst Rules. Accordingly, Rule 723 of the Catalyst Rules has been complied with.

## DISTRIBUTION OF HOLDERS OF SHARES BY SIZE OF SHAREHOLDINGS AS AT 1 APRIL 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	17	0.66	1,170	0.00
100 – 1,000	131	5.09	93,869	0.04
1,001 – 10,000	1,083	42.11	7,332,501	2.78
10,001 – 1,000,000	1,320	51.32	80,514,621	30.49
1,000,001 and above	21	0.82	176,104,839	66.69
<b>TOTAL</b>	<b>2,572</b>	<b>100.00</b>	<b>264,047,000</b>	<b>100.00</b>

## TWENTY LARGEST HOLDERS OF SHARES AS AT 1 APRIL 2021

No.	Name of Shareholder	No. of Shares	% of Shares
1	CLEARBRIDGE BSA PTE LTD	60,135,400	22.77
2	SEEDS CAPITAL PTE. LTD.	25,880,800	9.80
3	TRAUWIN PTE. LIMITED	19,044,600	7.21
4	DBS NOMINEES PTE LTD	14,802,400	5.61
5	MITSUBISHI UFJ LIFE SCIENCE I, LIMITED PARTNERSHIP	9,139,900	3.46
6	LIM CHWEE TECK	8,850,000	3.35
7	MAYBANK KIM ENG SECURITIES PTE. LTD	5,835,932	2.21
8	CITIBANK NOMINEES SINGAPORE PTE LTD	5,240,800	1.98
9	IFAST FINANCIAL PTE LTD	3,810,207	1.44
10	PHILLIP SECURITIES PTE LTD	3,157,700	1.20
11	RAFFLES NOMINEES (PTE) LIMITED	3,156,500	1.20
12	DARK HORSE INVESTMENT HOLDINGS LIMITED	3,012,800	1.14
13	CHEN JOHNSON	2,748,300	1.04
14	OCBC SECURITIES PRIVATE LTD	2,037,100	0.77
15	HSBC (SINGAPORE) NOMINEES PTE LTD	1,785,600	0.68
16	XIE TIAN	1,551,600	0.59
17	RACER TECHNOLOGY PTE LTD	1,428,400	0.54
18	KUIK THIAM HUAT	1,138,900	0.43
19	UOB KAY HIAN PTE LTD	1,137,900	0.43
20	YEE PINH JEREMY	1,130,000	0.43
<b>TOTAL</b>		<b>175,024,839</b>	<b>66.28</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 1 APRIL 2021

## SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2021

Name	No. of shares in which substantial shareholders have direct interest		No. of shares in which substantial shareholders are deemed to have interest	
		%		%
Clearbridge BSA Pte. Ltd. <sup>(1)</sup>	60,135,400	22.77	25,880,800	9.80
Clearbridge Health Limited <sup>(2)</sup>	–	–	86,016,200	32.57
SEEDS Capital Pte. Ltd.	25,880,800	9.80	–	–
Enterprise Singapore Holdings Pte. Ltd. <sup>(3)</sup>	–	–	25,880,800	9.80
Enterprise Singapore <sup>(3)</sup>	–	–	25,880,800	9.80
Trauwin Pte. Limited	19,044,600	7.21	–	–
Qian Fuqing <sup>(4)</sup>	–	–	19,044,600	7.21
Qian Xiaojin <sup>(4)</sup>	–	–	19,044,600	7.21

### Notes:

- (1) Pursuant to a call option granted to Clearbridge BSA Pte. Ltd. ("**CBSA**") by SEEDS Capital Pte. Ltd. ("**SEEDS Capital**"), CBSA has the right to acquire all of the Shares held by SEEDS Capital. The call option will expire on 28 May 2021. For the purposes of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), CBSA is deemed to have interest in the Shares held by SEEDS Capital.
- (2) CBSA is wholly-owned by Clearbridge Health Limited, a company listed on Catalist. For the purposes of Section 4 of the SFA, Clearbridge Health Limited is deemed to have interest in the Shares held by CBSA.
- (3) SEEDS Capital is wholly-owned by Enterprise Singapore Holdings Pte. Ltd. ("**ESH**"), 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 ESH and Enterprise Singapore is treated as having an interest in the Shares held by SEEDS Capital.
- (4) Qian Fuqing and Qian Xiaojin hold 50.0% and 30.0%, respectively, of the issued and paid-up share capital of Trauwin Pte. Limited ("**Trauwin**"). 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.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**AGM**”) of Biolidics Limited (the “**Company**”) will be held by way of electronic means on Friday, 30 April 2021 at 3.00 p.m. for the following purposes:

## Ordinary Business

1. To receive and adopt the directors’ statement and audited financial statements of the Company for the financial year ended 31 December 2020 (“**FY2020**”) together with the auditors’ report thereon. **(Resolution 1)**

2. To approve the payment of directors’ fees of S\$237,000 for the financial year ending 31 December 2021 (“**FY2021**”), payable quarterly in arrears. **(Resolution 2)**

3. To note the retirement of Ms. Toh Shih Hua as a director of the Company (“**Director**”), who is retiring pursuant to Regulation 97 of the Company’s constitution (“**Constitution**”).

4. To note the retirement of Mr. Ong Hsien Chih, James (Weng Xianzhi, James) as a Director, who is retiring pursuant to Regulation 97 of the Constitution.

5. To re-elect Mr. Chia Beng Kwan as a Director, who is retiring pursuant to Regulation 103 of the Constitution. **(Resolution 3)**  
(See Explanatory Note 1)

Mr. Chia Beng Kwan will, upon re-election as a Director, remain as an independent Director (“**Independent Director**”) of the Company. Mr. Chia Beng Kwan has no relationship with the Company, its related corporations, its substantial shareholders or its officers. Further information on Mr. Chia Beng Kwan can be found in the Company’s annual report for FY2020.

6. To re-elect Mr. Kong Chee Keong as a Director, who is retiring pursuant to Regulation 103 of the Constitution. **(Resolution 4)**  
(See Explanatory Note 2)

Mr. Kong Chee Keong will, upon re-election as a Director, remain as an Independent Director. Mr. Kong Chee Keong has no relationship with the Company, its related corporations, its substantial shareholders or its officers. Further information on Mr. Kong Chee Keong can be found in the Company’s annual report for FY2020.

7. To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

8. To transact any other ordinary business which may be properly transacted at the AGM.

## Special Business

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:

# NOTICE OF ANNUAL GENERAL MEETING

9. Authority to allot and issue shares in the capital of the Company ("**Shares**")

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") and the Constitution, the Directors be and hereby authorised to:

- I.
  - (a) allot and issue Shares whether by way of rights, bonus or otherwise; and/or
  - (b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures, or other instruments convertible into Shares;

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

- II. (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

provided that:

- (a) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this resolution), shall not exceed 100% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company ("**Shareholders**") shall not exceed 50% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) that may be issued under sub-paragraph (a) above, the percentage of the issued Shares shall be based on the total issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) new Shares arising from exercising of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalyst Rules; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) of the Catalyst Rules are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate;

- (c) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalyst Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Constitution for the time being; and



## NOTICE OF ANNUAL GENERAL MEETING

- (d) the authority conferred by this resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.”

**(Resolution 6)**

(See Explanatory Note 3)

10. Authority to grant awards and to allot and issue Shares pursuant to the Biolidics Performance Share Plan (the “PSP”)

“THAT pursuant to Section 161 of the Act, authority be and is hereby given to the Directors to:

- (i) offer and grant awards (“Awards”) from time to time in accordance with the provisions of the PSP; and
- (ii) allot and issue from time to time such number of new Shares as may be required to be issued pursuant to the vesting of Awards granted under the PSP,

provide always that the aggregate number of Shares issued and issuable pursuant to the Awards granted under the PSP, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all other Shares issued and issuable and/or transferred or transferable in respect of all share options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company, shall not exceed 15% of the total issued Shares (excluding treasury shares and subsidiary holdings) from time to time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.”

**(Resolution 7)**

(See Explanatory Note 4)

### By Order of the Board

Lim Sim Ving  
Company Secretary  
Singapore  
15 April 2021

# NOTICE OF ANNUAL GENERAL MEETING

## NOTES:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice of AGM ("**Notice of AGM**") will not be sent to members. Instead, this Notice of AGM may be accessed at the Company's website at the URL <http://www.biolidics.com> and on the SGX-ST's website at the URL <http://www.sgx.com/securities/companyannouncements>.
2. Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe-distancing measures in Singapore, the AGM will be held by way of electronic means and members will not be able to attend the AGM in person. A member or an SRS Investor will be able to watch the proceedings of the AGM through a "live" webcast or listen to these proceedings through a "live" audio feed. In order to do so, a member or SRS Investor who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 6.00 p.m. on 26 April 2021, via the URL <http://bit.ly/BiolidicsAGM2021>. Following authentication of his/her/its status as members or SRS Investor, authenticated members and SRS Investors will receive email instructions ("**Confirmation Email**") on how to access the webcast and audio feed of the proceedings of the AGM by 12.00 p.m. on 29 April 2021. Members who have pre-registered for the "live" audio-visual webcast or "live" audio-only stream but who have not received the Confirmation Email by 12.00 p.m. on 29 April 2021, should contact the Company's appointed pre-registration agent, Boardroom Corporate & Advisory Services Pte Ltd, by telephone at 6536 5355 during Monday to Friday, from 9.00 a.m. to 5.00 p.m. (excluding public holidays), or by email to [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com).
3. A member who pre-registers to watch the "live" webcast or listen to the "live" audio feed may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 6.00 p.m. on 26 April 2021 by email at [ShareholderQueries@biolidics.com](mailto:ShareholderQueries@biolidics.com). Members will not be able to ask questions during the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings. Therefore, it is important for members to pre-register and submit their questions in advance of the AGM. The Company will address all substantial and relevant questions (as may be determined by the Company in its sole discretion) received from the Shareholders via the SGX-ST's website at the URL <http://www.sgx.com/securities/companyannouncements> and the Company's website at the URL <http://www.biolidics.com>.
4. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's website at the URL <http://www.biolidics.com> and on the SGX-ST's website at the URL <http://www.sgx.com/securities/companyannouncements>.
5. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
6. The proxy form is not valid for use by investors who hold shares through relevant intermediaries (as defined in Section 181 of the Act) ("**Investors**") (including SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS Investors who wish to appoint the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should approach their respective SRS Operators to submit their votes at least seven (7) working days before the date of the AGM. Investors, other than SRS Investors, who wish to participate in the AGM by (a) observing or listening to the AGM proceedings via "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Tricor Barbinder Share Registration Services, via email to [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com) no later than 6.00 p.m. on Monday, 26 April 2021.
7. The Chairman of the AGM, as proxy, need not be a member of the Company.
8. The proxy form, if submitted by post, must be deposited at the registered office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, located at 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time fixed for holding the AGM.
9. The proxy form, if submitted electronically, must be submitted via email to [ProxyFormSubmission@biolidics.com](mailto:ProxyFormSubmission@biolidics.com), not less than 72 hours before the time fixed for holding the AGM. In view of the current Covid-19 situation, members are strongly encouraged to submit completed and signed proxy forms electronically via email.
10. Where the proxy form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

(1) Details on Mr. Chia Beng Kwan

Date of Appointment: 1 April 2021

Date of last re-appointment (if applicable): Not applicable

Age: 48

Country of principal residence: Singapore

The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process): Having reviewed his qualifications and work experience, the board of Directors of the Company (the "**Board**"), with the recommendation of the nominating committee of the Company (the "**NC**"), approves the re-appointment of Mr. Chia Beng Kwan as an Independent Director.

Whether appointment is executive, and if so, the area of responsibility: Non-executive

Job Title: Independent Director

Professional qualifications: Please refer to the section entitled "Board of Directors" in the Company's annual report for FY2020.

Working experience and occupation(s) during the past 10 years: Please refer to the section entitled "Board of Directors" in the Company's annual report for FY2020.

Shareholding interest in the listed issuer and its subsidiaries: Nil

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries: Nil

Conflict of interest (including any competing business): Nil

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer

Yes  No

Items (a) to (k) of Appendix 7G of the Catalist Rules: There is no change to the declarations, which was disclosed in the Company's announcement dated 31 March 2021 in relation to the appointment of Mr. Chia Beng Kwan as an Independent Director.

(2) Details on Mr. Kong Chee Keong

Date of Appointment: 1 April 2021

Date of last re-appointment (if applicable): Not applicable

Age: 54

Country of principal residence: Singapore

The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process): Having reviewed his qualifications and work experience, the Board, with the recommendation of the NC, approves the re-appointment of Mr. Kong Chee Keong as an Independent Director.

Whether appointment is executive, and if so, the area of responsibility: Non-executive

Job Title: Independent Director

Professional qualifications: Please refer to the section entitled "Board of Directors" in the Company's annual report for FY2020.

# NOTICE OF ANNUAL GENERAL MEETING

Working experience and occupation(s) during the past 10 years: Please refer to the section entitled “Board of Directors” in the Company’s annual report for FY2020.

Shareholding interest in the listed issuer and its subsidiaries: Nil

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries: Nil

Conflict of interest (including any competing business): Nil

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer

Yes     No

Items (a) to (k) of Appendix 7G of the Catalist Rules: There is no change to the declarations, which was disclosed in the Company’s announcement dated 31 March 2021 in relation to the appointment of Mr. Kong Chee Keong as an Independent Director.

- (3) The resolution 6 in item 9 above, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from Shareholders in a general meeting but within the limitation imposed by this resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this resolution) to be allotted and issued would not exceed 100% of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the time of passing of this resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this resolution) other than on a pro-rata basis to all Shareholders shall not exceed 50% of the total number of issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution.
- (4) The resolution 7 in item 10 above, if passed, will empower the Directors to offer and grant Awards under the PSP, and to allot and issue Shares pursuant to the vesting of Awards granted under the PSP, provided that the aggregate number of Shares issued and issuable pursuant to the PSP, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all awards granted thereunder; and (ii) all other Shares issued and issuable and/or transferred or transferable in respect of all share options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company, shall not exceed 15% of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) of the Company from time to time.

## PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, and/or by registering to attend the “live” webcast of the AGM as described in this Notice of AGM, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

# BIOLIDICS LIMITED

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

## ANNUAL GENERAL MEETING PROXY FORM

### Important:

1. For investors who have used their Supplementary Retirement Scheme monies to buy shares in the Company ("**SRS Investors**"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to appointment as their proxies.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC No./Passport No./Company Registration No.)

of \_\_\_\_\_ (Address)

being \*a member/members of Biolidics Limited (the "**Company**"), hereby appoint the Chairman of the annual general meeting of the Company ("**AGM**"), as \*my/our \*proxy/proxies to attend and to vote for \*me/us on \*my/our behalf at the AGM to be held by way of electronic means on Friday, 30 April 2021 at 3.00 p.m. and at any adjournment thereof.

\*I/We direct \*my/our proxy to vote for or against, or abstain from voting on the ordinary resolution to be proposed at the AGM as indicated hereunder. If no specified directions as to voting is given, this proxy form shall be disregarded and the proxy shall abstain from voting on any matter arising at the AGM.

No.	RESOLUTIONS RELATING TO:	No. of Votes For**	No. of Votes Against**	No of Votes Abstained**
<b>ORDINARY BUSINESS</b>				
1.	To receive and adopt the directors' statement and audited financial statements of the Company for the financial year ended 31 December 2020 together with the auditors' report thereon			
2.	To approve the payment of directors' fees for the financial year ending 31 December 2021, payable quarterly in arrears			
3.	To re-elect Mr. Chia Beng Kwan as a director of the Company (" <b>Director</b> ")			
4.	To re-elect Mr. Kong Chee Keong as a Director			
5.	To re-appoint Messrs Ernst & Young LLP as the Company's auditors			
<b>SPECIAL BUSINESS</b>				
6.	To allot and issue shares in the capital of the Company (" <b>Shares</b> ")			
7.	To grant awards and to allot and issue Shares pursuant to the Biolidics Performance Share Plan			

### Notes:

\* Delete accordingly

\*\* Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or to "Abstain" the relevant resolution, please mark "X" in the relevant box provided. Alternatively, please indicate the number of votes "For", "Against" or to "Abstain" each resolution. If you mark "X" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**



**IMPORTANT:**

1. The AGM will be held and convened by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the notice of AGM dated 15 April 2021 ("**Notice of AGM**") and this proxy form will not be sent to members. Instead, the Notice of AGM and this proxy form may be accessed at the Company's website at the URL <http://www.biolidics.com> and on the SGX-ST's website at the URL <http://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM by way of electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointment of the Chairman of the AGM as a proxy at the AGM, are set out in the Notice of AGM.
3. Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe-distancing measures in Singapore, the AGM will be held by way of electronic means and members will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

**NOTES:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the shares held by you.
2. Shareholders will be able to watch the proceedings of the AGM through a "live" webcast or listen to these proceedings through a "live" audio feed. In order to do so, a Shareholder who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 6.00 p.m. on 26 April 2021, via the URL <http://bit.ly/BiolidicsAGM2021>. Following authentication of his/her/its status as shareholders, authenticated shareholders will receive email instructions on how to access the "live" webcast and "live" audio feed of the proceedings of the AGM by 12.00 p.m. on 29 April 2021.  
  
Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the date of the AGM.
4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. This proxy form, if submitted by post, must be deposited at the registered office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, located at 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time fixed for holding the AGM.
6. This proxy form, if submitted electronically, must be submitted via email to [ProxyFormSubmission@biolidics.com](mailto:ProxyFormSubmission@biolidics.com), not less than 72 hours before the time fixed for holding the AGM. In view of the current COVID-19 situation, members are strongly encouraged to submit completed and signed proxy forms electronically via email.
7. Where this proxy form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
8. Where this proxy form is executed under the hand of an attorney duly authorised, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form may be treated as invalid.
9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**GENERAL:**

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY:**

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.





**Biolidics** 

**BIOLIDICS LIMITED**

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