Biolidics

ANNUAL REPORT 2022

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 ("**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 Khiat, Senior 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.

The Group's business model comprises three business segments of cancer diagnostics, infectious diseases and laboratory services.

For cancer diagnostics, 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 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 (which may include 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, Biolidics has formed an infectious diseases division to develop, market and/or distribute certified test kits with various diagnostic partners.

Biolidics also has a CAP accredited clinical laboratory in Singapore that offers a wide range of tests, which could potentially accelerate its revenue growth and execution of its business strategy in cancer diagnostics. The laboratory has obtained regulatory approval from Singapore's Ministry of Health for molecular microbiology testing and PCR testing services for COVID-19 in Singapore has been added as part of the laboratory's service offerings. Biolidics' quality assurance capabilities have been recognised through its ISO 13485 certification.

For additional information, please visit www.biolidics.com.

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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 biomarkers 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

\+ Sale of the accompanying CTChip® FR1 biochip and other consumables.

Each CTChip® FR1 biochip can be only used for one-time liquid biopsy test

\+ Development of a wide range of clinical or laboratory developed tests

Higher sales of ClearCell® FX1 System → Higher sales of the accompanying CTChip® FR1 biochip and other consumables

Higher usage of ClearCell® FX1 System for clinical or laboratory developed tests

COMMERCIALISATION OF OUR PRODUCT

Biolidics' ClearCell® FX1 System is marketed and installed across the world, including Singapore, China, Hong Kong, Japan, and certain European Union ("**EU**") countries.

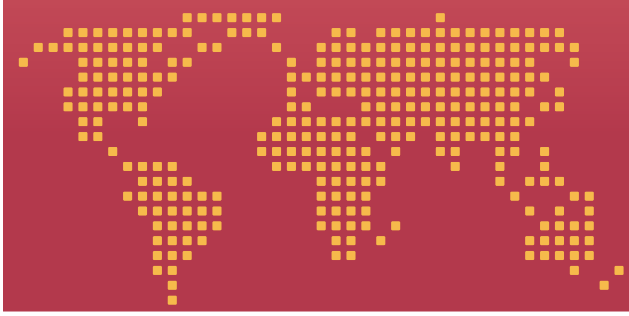
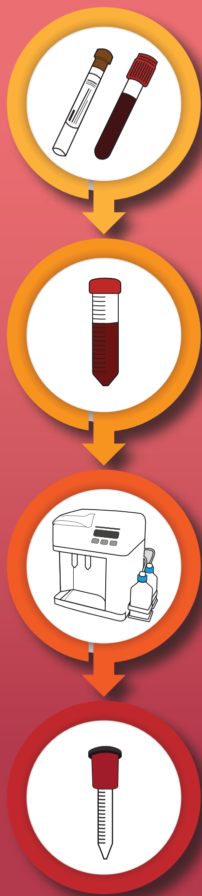


ILLUSTRATION OF THE **CLEARCELL® FX1 SYSTEM WORK FLOW**



SAMPLE COLLECTION	7.5ml blood sample is collected
RED BLOOD CELL LYSIS	Red blood cell lysis is performed
CTC ENRICHMENT	CTC enrichment is performed on the ClearCell® FX1 System
ENRICHED CTC SAMPLE	Enriched CTC output ready for downstream analysis

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 Hepatitis A and B. Diseases which are spread from animals to humans, such as avian influenza, are known as zoonotic diseases.

BIOLIDICS' PORTFOLIO 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 situation. Biolidics has a portfolio of COVID-19 test kits as follows:

- ClearEpi™ SARS-CoV-2 Antigen Rapid Test
- Biolidics 2019-nCoV IgG/IgM Antibody Detection Kit (Colloidal Gold)
- ClearEpi™ SARS-CoV-2 Neutralizing Antibody Rapid Test

CAP ACCREDITED
COLLEGE of AMERICAN PATHOLOGISTS

LABORATORY SERVICES

Providing a comprehensive suite of clinical diagnostic tests, including genetic tests and other cancer related diagnostic tests for oncology, Biolidics' Singapore laboratory is also the only laboratory in Asia to be accredited by the College of American Pathologists program for its detection of circulating-tumour-cell ("**CTC**") under the anatomical pathology discipline, which is complementary and synergistic with Biolidics' novel patented CTC-based technology.

The laboratory has obtained regulatory approval from Singapore's Ministry of Health ("**MOH**") for molecular microbiology testing with the successful upgrade of its laboratory's infrastructure to biosafety level 2. With MOH's approval, the laboratory can offer Polymerase Chain Reaction diagnostics services for COVID-19 in Singapore and it has been added to the laboratory's service offerings.

MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS,

On behalf of the board of directors of Biolidics Limited ("**Biolidics**" or the "**Company**" and together with its subsidiaries, the "**Group**"), we would like to present the annual report of the Company for the financial year ended 31 December 2022 ("**FY2022**").

As we transition into the endemic phase for COVID-19, the new global "norm" will require Biolidics' business model to be more agile and adaptable. The COVID-19 pandemic had forced a rethink behind the Group's main business activities.

Following the regulatory approval from Singapore's Ministry of Health for molecular microbiology testing, for FY2022, the Board opted to pivot its main business focus to the utilisation of Biolidics' CAP accredited clinical laboratory to offer Polymerase Chain Reaction ("**PCR**") testing services for COVID-19 in Singapore.

Efforts to drive growth in this area in the first half of FY2022 bore fruit and the Group recorded positive revenue growth for the laboratory services business segment in the second half of FY2022. As countries around the world declared an end to the COVID-19 pandemic, travellers were greeted with news that many countries are scaling down and/or removing the requirement for PCR test results both prior to travel, and upon arrival at the travellers' destinations.

The Board and management, in anticipation of such developments, started putting in place plans for the Group to venture into new services for the laboratory to offer. Shareholders will be kept informed as and when there are key developments in this business segment.

Currently, the Group's business model also comprises two other business segments of cancer diagnostics and infectious diseases.

The COVID-19 pandemic brought about profound changes to the operating environment of the Group's cancer diagnostics business segment. The inability to travel and extreme challenges in raising additional working capital at the height of the pandemic made it difficult to sustain the Group's market development efforts that had commenced pre-pandemic. While the Group has not given up entirely on the cancer diagnostics business segment, the Board will focus on opportunities to monetise the Group's assets under this business segment, including the intellectual properties which are encapsulated in the ClearCell® FX1 system.

For the infectious diseases business segment, the Group faced a highly competitive market in FY2022 as the growth in supply of COVID-19 antigen and antibody test kits led to intense price competition and eventually a commoditisation of antigen rapid test ("**ART**") test kits in Singapore and other countries. Compared to the conditions at the start of the COVID-19 pandemic, the availability of ART test kits has stabilised with the transition to the endemic phase. As such, the Board will look towards other services to provide under this business segment, combined with the use of its laboratory assets and services.

MESSAGE TO SHAREHOLDERS

In line with the Board's plan to enhance adaptability behind the Group's business activities, management has put in place a cost structure that allows for both scalability and flexibility to respond quickly to opportunities and changes in the markets that the Group operates in. There are also continual efforts to rationalise other costs and expenses to preserve cashflows as much as possible.

To strengthen the Group's financial position and improve its financial agility, the Group embarked on, and successfully completed, a rights issue of new ordinary shares ("**Rights Issue**') in December 2022, raising gross proceeds of approximately S$5.70 million. On this note, we would like to express our thanks to shareholders of the Company ("**Shareholders**") for their support of the Rights Issue.

ACKNOWLEDGEMENTS

As the Group puts the pandemic years behind it, there is still much to do to seize, create, and build on, existing opportunities in its business segments.

The Group could have found itself in a more challenging situation in FY2022 if not for the concerted efforts of management and the team in Biolidics. The Board would like to take the opportunity to thank all past and present employees and directors, together with the vendors, professionals and key support personnel in overseas offices, and business partners, for their diligence and contributions throughout FY2022.

Our final thanks go out to the Shareholders who are continuing the journey with us and sharing the optimism that Biolidics will be able to put in a stronger performance in the years ahead.

We wish everyone a safe year ahead.

Thank you.

GAVIN MARK MCINTYRE
Non-Executive Independent Chairman

SONG TANG YIH
Executive Director and Chief Executive Officer

OPERATIONS & FINANCIAL REVIEW

Revenue

Revenue increased by 7.6% or S$0.18 million, from S$2.31 million in FY2021 to S$2.49 million in FY2022, mainly due to an increase in revenue from rendering of laboratory services from S$0.16 million in FY2021 to S$1.94 million in FY2022.

The significant increase in revenue from rendering of laboratory services was due to an increase in PCR test services as we began providing PCR test services on a 24/7 basis. There was increased demand for PCR test services, mainly due to the increase in the number of travellers from the People's Republic of China.

The increase in revenue was partially offset by a decrease in sales of our COVID-19 related products which amounted to S$0.34 million in FY2022, as compared to S$1.81 million in FY2021, arising from a growing supply of antigen and antibody test kits which led to a highly competitive market under the constraints of intense price competition.

Revenue from the sales of our ClearCell® FX1 system, our CTChip® FR1 biochip and other related services and consumables also decreased from S$0.34 million in FY2021 to S$0.21 million in FY2022.

Other income

The Group's other income decreased by S$0.07 million or 19.3%, from S$0.38 million in FY2021 to S$0.31 million in FY2022, mainly due to a decrease in government grants of S$0.02 million and a decrease in gain from remeasurement of deferred consideration of S$0.03 million.

Changes in inventories

The Group recorded a decrease of S$0.22 million in the closing balance of our inventories in FY2022, as compared to a decrease of S$0.04 million in FY2021. The fluctuations in the balance of our inventories were mainly due to the timing of purchase and sale of inventories.

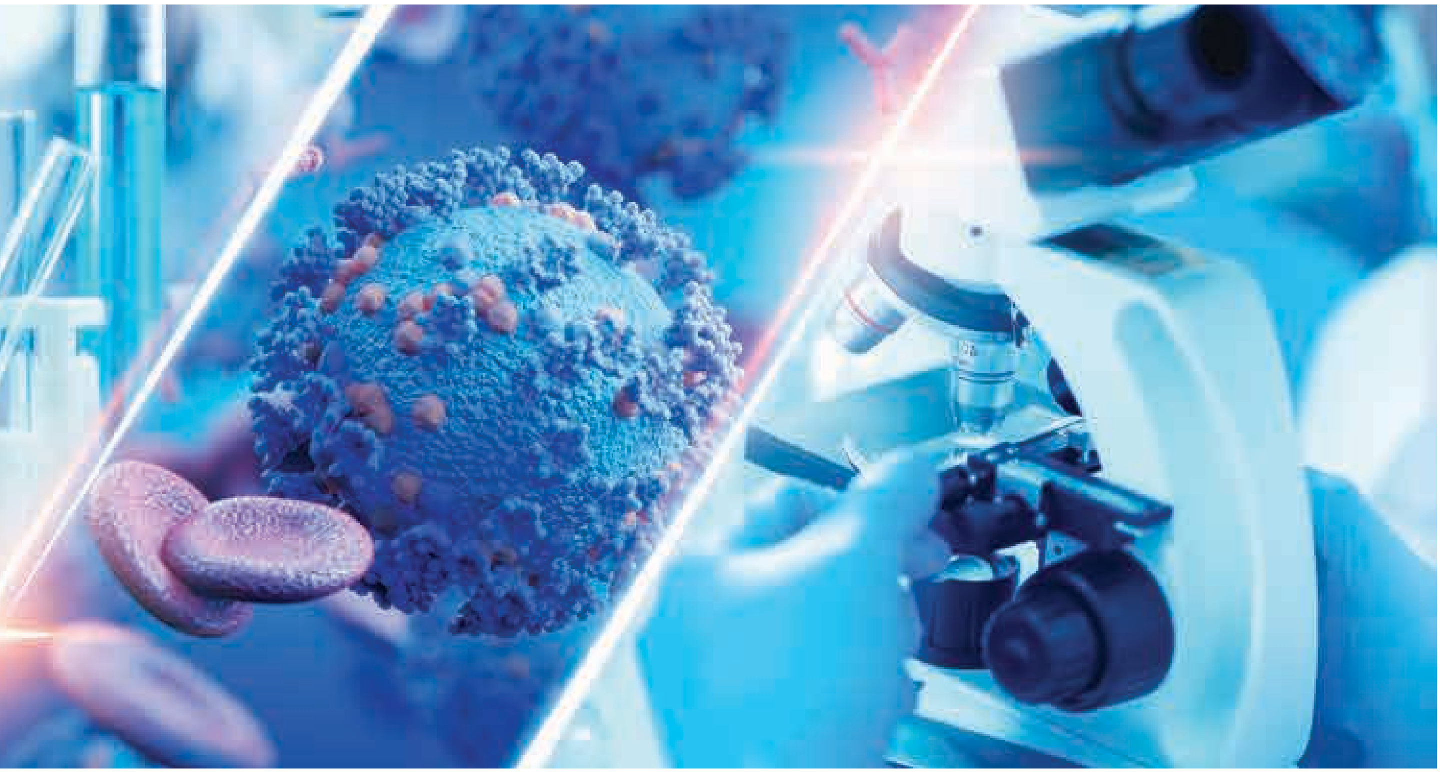
Purchases

The Group's purchases decreased by S$0.69 million or 38.2%, from S$1.80 million in FY2021 to S$1.11 million in FY2022, in line with the decrease in sales of our COVID-19 related products during the financial year under review.

Employee benefits expense

The Group's employee benefits expense increased by S$1.23 million or 74.9%, from S$1.65 million in FY2021 to S$2.88 million in FY2022, mainly due to increased hiring to support the growth of our laboratory services business and provisions made for performance awards.

OPERATIONS & FINANCIAL REVIEW



Depreciation expense

The Group's depreciation expense decreased by S$0.08 million or 9.1% from S$0.84 million in FY2021 to S$0.76 million in FY2022, due to certain assets being fully depreciated.

Amortisation expense

The Group's amortisation expense remained relatively unchanged at S$0.42 million in FY2021 and FY2022.

Research and development ("R&D") expense

The Group's R&D expense decreased by S$0.86 million or 79.2%, from S$1.09 million in FY2021 to S$0.23 million in FY2022, mainly due to the reduction in R&D activities during FY2022.

Other expenses

The Group's other expenses increased by S$4.16 million or 153.7%, from S$2.70 million in FY2021 to S$6.86 million in FY2022, mainly due to impairment of intangibles assets of S$3.13 million, impairment of goodwill of S$0.63 million, impairment of plant and equipment and right-of-use assets of S$0.28 million in aggregate and allowance for inventories of S$1.30 million in FY2022.

The increased expenses were partially offset by decreases in professional fees by S$0.90 million from S$1.59 million in FY2021 to S$0.69 million in FY2022.

Finance costs

The Group's finance costs decreased by S$0.04 million or 19.2%, from S$0.21 million in FY2021 to S$0.17 million in FY2022, mainly due to the reducing balances of the Group's term loans.

Income tax credit

The Group's income tax credit pertains to the reversal of deferred tax liabilities arising from the CAP Accreditation of Biomedics Laboratory Pte. Ltd.. Income tax credit increased by S$0.42 million in FY2022 as a result of the reversal of deferred tax liabilities arising from fair valuation of intangible assets.

Loss for the year

The Group recorded a loss for the year of S$9.37 million in FY2022, as compared to a loss for the year of S$5.98 million in FY2021.

OPERATIONS & FINANCIAL REVIEW

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by 96.8% or S$5.15 million, from S$5.31 million as at 31 December 2021 to S$0.17 million as at 31 December 2022. This was mainly due to a decrease in plant and equipment, right-of-use assets, intangible assets and goodwill of S$0.74 million, S$0.28 million, S$3.50 million and S$0.63 million respectively, which arose mainly from the depreciation, amortisation and impairment charges during FY2022.

Current assets

The Group's current assets decreased by 3.1% or S$0.19 million, from S$6.11 million as at 31 December 2021 to S$5.92 million as at 31 December 2022. This was mainly due to a decrease in (i) inventories of S$1.48 million (ii) prepayments of S$0.11 million; and (iii) other receivables of S$0.06 million, partially offset by an increase in (i) cash and cash equivalent of S$1.07 million; and (ii) trade receivables of S$0.39 million.

Current liabilities

The Group's current liabilities increased by 148.6% or S$3.59 million, from S$2.42 million as at 31 December 2021 to S$6.01 million as at 31 December 2022. This was mainly due to an increase in (i) deferred consideration of S$3.24 million (which was reclassified from non-current liabilities to current liabilities); (ii) other payables of S$0.28 million; (iii) contract liabilities of S$0.07 million and (iv) current portion of borrowings of S$0.03 million, partially offset by a decrease in current portion of lease liabilities of S$0.04 million.

As at 31 December 2022, the Group's current liabilities exceeded its current assets by approximately S$0.09 million and the Group was in a net equity deficit position of approximately S$1.69 million.

Non-current liabilities

The Group's non-current liabilities decreased by 73.5% or S$4.91 million, from S$6.68 million as at 31 December 2021 to S$1.77 million as at 31 December 2022. This was mainly due to a decrease in (i) deferred consideration of S$3.21 million (which has been reclassified to current liabilities); (ii) borrowings of S$1.05 million comprising the non-current portion of working capital bank loans; (iii) non-current portion of lease liabilities of S$0.17 million; and (iv) deferred tax liabilities of S$0.48 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

The Group's operating cash outflow before movements in working capital amounted to S$3.13 million in FY2022.

Net cash used for working capital amounted to S$0.18 million mainly due to (i) an increase in trade and other payables of S$0.30 million; (ii) a decrease in other receivables of S$0.05 million; (iii) a decrease in prepayments of S$0.11 million, and (iv) a decrease in inventories of S$0.12 million, partially offset by an increase in trade receivables of S$0.47 million.

As a result, net cash used in operating activities was S$3.06 million in FY2022.

Net cash generated from investing activities in FY2022 amounted to S$0.01 million. This was due mainly to receipt of government grants of S$0.10 million, offset by (i) additions to plant and equipment of S$0.03 million and (ii) additions to intangible assets of S$0.06 million.

Net cash generated from financing activities in FY2022 amounted to S$4.18 million. This was mainly due to gross proceeds from the Rights Issue of S$5.70 million, partially offset by payment of (i) S$1.02 million of the principal portion of borrowings; (ii) S$0.27 million of the principal portion of lease liabilities; and (iii) S$0.22 million of share issuance expenses.

As a result of the above, there was a net increase in cash and cash equivalents by S$1.12 million, from S$3.96 million as at 31 December 2021 to S$5.03 million as at 31 December 2022.

BOARD OF DIRECTORS

GAVIN MARK MCINTYRE

Date of First Appointment: 23 November 2021
Chairman: Audit Committee
Member: Nominating Committee and Remuneration Committee

Present directorships in other listed companies:
Nico Steel Holdings Ltd (SGX-ST)
VCPLUS Limited (SGX-ST)

Past directorships in other listed companies: Nil

Gavin is the Non-Executive Independent Chairman of the Company. Gavin was appointed to the Board as an Independent Director on 23 November 2021 and was redesignated as the Non-Executive Independent Chairman on 7 February 2022.

Gavin spent seven years based in Thailand and Singapore when he was in Deloitte as a project leader to lead restructuring efforts in the aftermath of the Asian Financial Crisis post 1997 and the Dot Com bust in the early 2000s. From 2013 to 2015, he worked as a practice director with a boutique valuation services firm with a strong regional presence in Asia. Prior to that, he was holding the position of Chief Financial Officer of a listed company in Singapore for five years where he worked closely with the board of directors to review projects in the fields of mineral extraction, telecommunications, and general manufacturing and distribution. In August 2016, Gavin was appointed as an independent director at Nico Steel Holdings Ltd and is the Chairman of their Audit Committee. In February 2017, he was also appointed as an independent director of VCPLUS Limited and is the Chairman of their Audit Committee.

Gavin graduated from Curtin University, Australia in 1989 with a degree in Accounting and he holds the status of a non-practicing CPA with CPA Australia.

SONG TANG YIH

Date of First Appointment: 1 September 2021

Present directorships in other listed companies: Nil

Past directorships in other listed companies:
Metech International Limited (SGX-ST)
Advance SCT Limited (SGX-ST)

Song is an Executive Director and the Chief Executive Officer of the Company. He joined the Group in September 2021 and is responsible for the overall management, operations, strategic planning and business development of the Group.

Song previously served as the Vice President of Asia Pacific of three US technology companies listed on the NYSE or NASDAQ: A10 Networks Inc from 2015 to 2019, Palo Alto Networks Inc from 2010 to 2012, and F5 Networks Inc from 2002 to 2010. During his tenures, he led their Asia Pacific's businesses and operations from start-up or developing stages and significantly expanded market share and presence.

He started his career at IBM and Lotus Development in 1991, where he grew to assume senior managerial position of its Asia Pacific software business in 2000.

Besides his experience in the technology industry, Song was previously also the Executive Chairman of Metech International Limited from 2012 to 2014, and the Executive Director and President of Advance SCT Limited from 2014 to 2015. He was also a Vice President at OWW Capital Partners, a venture capital firm, from 2000 to 2012.

Song graduated from the National University of Singapore with a Bachelor of Science degree.

BOARD OF DIRECTORS

CHIA BENG KWAN

Date of First Appointment: 1 April 2021
Chairman: Nominating Committee
Member: Audit Committee and Remuneration Committee

Present and past directorships in other listed companies: Nil

Beng Kwan is an Independent Director of the Company. He is currently the Head of Corporate Finance of Hong Leong Finance Limited ("**HLF**"). 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 HLF, Beng Kwan has held various senior positions in established financial institutions including W Capital Markets Pte Ltd, 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.

IAN DAVID BROWN

Date of First Appointment: 14 June 2021
Chairman: Remuneration Committee
Member: Audit Committee and Nominating Committee

Present directorships in other listed companies: Nil

Past directorships in other listed companies:
Cygenics Limited (later renamed CordLife Limited) (Australian Securities Exchange)

Ian is an Independent Director of the Company. Since 2011, Ian has been the chief executive officer and managing director of Yallingup Ventures Pty Ltd (f.k.a. Ian Brown Group Pty Ltd), a Perth-based contract strategy training and consulting company, where he is contracted to the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Defence Science and Technology Group (DSTG) to design and facilitate their national science research translation workshops focused on project risk management and impact optimisation for internal projects and external programs.

From 2009 to 2011, Ian was the chief executive officer at RepRegen Limited, a spin-out novel ceramics and polymer technology company at Imperial College London, where he was responsible for the overall business. From 2007 to 2009, Ian was the chief executive officer and managing director of Avanti Capital Limited, a Melbourne-based boutique corporate advisory company, where he was responsible for the overall business. From 2001 to 2007, Ian was the chief operating officer and executive director of Cygenics Limited (later renamed CordLife Limited), a South-east Asian medical cryogenic storage company listed on the Australian Securities Exchange, where he was responsible for the worldwide operations. He spent the early part of his career in the clinical diagnostic products industry.

Ian is currently the independent chairman of OxiDx Pty Ltd, a UWA spin-out company commercialising a novel oxidative stress test in sports injury and performance; Respiradigm Pty Ltd, a TKI spin-out company commercialising a novel asthma risk test; and REX Ortho Pty Ltd, a Curtin University spin-out company commercialising a novel surgical implant device.

Ian obtained his Executive Masters of Business Administration from the University of Queensland in 2007 and was awarded a Fellow of the Australian Institute of Company Directors in 2002. Since 2010, he has been retained as an Entrepreneur in Residence (EiR) at INSEAD, Europe's leading business school, where he mentors MBA students and alumni, serves as a co-facilitator and mentor at the school's Sci-Tech Entrepreneur boot camps, role player at the Capstone course and a judge of the INSEAD Venture Competition.

BOARD OF DIRECTORS

CH'NG LI-LING

Date of First Appointment: 31 March 2023

Present directorships in other listed companies:
LHN Limited (SGX-ST)

Past directorships in other listed companies:
Anchor Resources Limited (SGX-ST)
Declout Limited (SGX-ST)

Li-Ling is an Independent Director of the Company. She is one of the founding members of RHTLaw Asia LLP, where she presently heads the firm's Financial Services (Regulatory) & Technology Practice. Her areas of practice has included corporate and security laws, capital markets, mergers and acquisitions, securities and financial services regulatory compliance, and corporate governance.

At present, Li-Ling advises fintech firms, financial institutions and capital markets services providers on MAS licensing and regulatory requirements and payment services providers on digital token issuances and the establishment of digital assets exchanges and e-payments platforms. She also advises fintech companies, investors and entrepreneurs in their capital-raising exercises.

Li-Ling is currently also the lead independent non-executive director of LHN Limited, a company listed on the SGX-ST, and is the Chairwoman of their remuneration committee. She was previously an independent director of DeClout Limited from September 2012 to April 2018 and an independent director of Anchor Resources Limited from December 2015 to January 2021, companies which are listed on the SGX-ST.

Li-Ling is currently a member of the Singapore Academy of Law, Legal Practitioner (non-practising) of New South Wales, Australia and qualified as a solicitor of England and Wales.

Li-Ling graduated with a Bachelor of Arts (Honours) degree from NUS in 1994 and obtained her Bachelor of Laws (Honours) and Master of Laws (Merit) from the University of London in 1995 and 2011 respectively.

EXECUTIVE OFFICER

SIU YEUNG SAU Financial Controller

Yeung Sau is the Financial Controller of the Group and is responsible for the Group's financial and management reporting, internal controls and human resource matters. Prior to joining the Group, he was the Director of Finance and Corporate Planning of Mount Faber Leisure Group Pte Ltd from March 2019 to April 2022. Between August 2017 and March 2019, he was the Chief Financial Officer ("**CFO**") of Mary Chia Holdings Limited. He was the CFO of EuroSports Global Limited/EuroSports Auto Pte Ltd from November 2012 to September 2015 and a Financial Consultant at EuroSports Auto Pte Ltd from July to October 2012. Yeung Sau holds a Bachelor of Accountancy degree from the Nanyang Technological University and a Master of Business Administration from the California State University, East Bay. He is a Chartered Accountant from the Institute of Singapore Chartered Accountants.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Gavin Mark McIntyre
Non-Executive Independent Chairman

Song Tang Yih
Executive Director and Chief Executive Officer

Chia Beng Kwan
Independent Director

Ian David Brown
Independent Director

Ch'ng Li-Ling
Independent Director

AUDIT COMMITTEE
Gavin Mark McIntyre (Chairman)
Chia Beng Kwan
Ian David Brown

NOMINATING COMMITTEE
Chia Beng Kwan *(Chairman)*
Gavin Mark McIntyre
Ian David Brown

REMUNERATION COMMITTEE
Ian David Brown *(Chairman)*
Chia Beng Kwan
Gavin Mark McIntyre

COMPANY SECRETARY
Nor Hafiza Alwi
(Associate Member and Practising Chartered Secretary)

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AUDITOR
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Partner-in-charge: Tan Soon Seng
(a member of the Institute of
Singapore Chartered Accountants)
Date of appointment: 12 April 2022

INVESTOR RELATIONS
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SUSTAINABILITY REPORT

SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

BOARD STATEMENT

The board of directors ("**Board**" or "**Directors**") of Biolidics Limited ("**Biolidics**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present the Group's sustainability report (the "**Report**") for the financial year ended 31 December 2022 ("**FY2022**").

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.

In FY2022, the Group expanded its business segments to include the rendering of laboratory services. Due to the rapidly evolving nature of the COVID-19 pandemic, the demand for COVID-19 PCR tests continues to be exposed to various uncertainties and challenges such as the emergence of competing and newer technologies, product regulatory changes, and changes in travel policies and restrictions as well as emergence of new competitors providing similar PCR test services. The COVID-19 pandemic has also resulted in significant delays to the Group's development of its cancer business segment. The Group will continue to review its product and service offerings in order to keep pace with the uncertainties and challenges and ensure that the Group's business remains relevant and sustainable. The Group will also continue to explore merger and acquisition opportunities to improve its financial performance.

To manage the challenges and uncertainties, including rising cost of conducting business, the Group has since June 2022 implemented cost rationalisation measures such as streamlining of its manpower structure, scaling down of the R&D activities for its cancer business segment, and reducing the engagement of external service providers.

To strengthen its financial position, the Group completed a rights issue in December 2022 and may explore opportunities to monetise its assets, including its intellectual properties which is encapsulated in the ClearCell® FX1 system as well as fund raising opportunities, including undertaking equity issuances in the future.

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 its business. For FY2022, the Group has continued its sustainability approach by reviewing its materiality assessment, performance indicators and targets that will guide its sustainability efforts. Regarding the governance of sustainability issues, the Board has overall responsibility for the ESG issues of the Group, including formulating strategies, ensuring the Group has appropriate and effective internal control and risk management systems, monitoring the Group's ESG performance, and reviewing and approving sustainability reports, which disclose the Group's material ESG factors. Assisting the Board to fulfil its responsibility in ESG issues, the management ("**Management**") of Biolidics, including the Group's senior executives, are responsible for implementing relevant policies and measures in accordance with the Group's strategy, identifying and managing the Group's material ESG factors, and evaluating the Group's performance in various aspects of ESG. The Management reports to the Board at least annually on the progress of ESG-related work, including the results of the materiality assessment of ESG factors and ESG targets in a timely manner, and provide advice to the Board on relevant issues to continuously improve the Group's ESG performance. The Board will at least annually review the Group's ESG performance and the effectiveness of the Group's policies and procedures in managing its material ESG factors.

In addition, key changes in the regulatory environment included a requirement for all Directors to undergo a one-time training on sustainability, among other requirements. In adherence to the new requirements, all our Directors have attended the mandatory sustainability training courses to equip themselves with basic knowledge on sustainability matters.

The Group is committed to growing sustainably as a forward-looking company covering its approach and performance in sustainability as the Group continues to actively explore collaborations and partnerships for the development and commercialisation of new technologies and products related to its 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 its sustainability approach on its practices, performance and targets in relation to its sustainability efforts for FY2022 with its stakeholders.

Board of Directors
Biolidics Limited

ABOUT THIS REPORT

This is Biolidics' fourth sustainability report.

The scope of this Report focuses on the Group's key business operations in Singapore, including offices and laboratories located in Singapore, which is consistent with the scope of the Company's annual report for FY2022 and the same as the scope of the sustainability report for the financial year ended 31 December 2021 ("**FY2021**"). Information disclosed in this Report reflects the Group's ESG efforts and encapsulates its commitment to grow sustainably as a forward-looking company covering its approach and performance in sustainability for FY2022.

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 readers. The "with reference to" option of GRI was chosen for this Report and the GRI content index can be found on pages 31 to 34 of this Report. This Report references the following Universal Standards and Topic Standards:

- GRI 1: Foundation 2021
- GRI 2: General Disclosures 2021
- GRI 3: Materiality Topics 2021
- GRI 201: Economic Performance 2016
- GRI 205: Anti-corruption 2016
- GRI 305: Emissions 2016
- GRI 306: Waste 2020
- GRI 401: Employment 2016
- GRI 403: Occupational Health and Safety 2018
- GRI 404: Training and Education 2016
- GRI 405: Diversity and Equal Opportunity 2016
- GRI 406: Non-discrimination 2016
- GRI 418: Customer Privacy 2016

This Report has undergone the internal review process of the Group, and was reviewed by the Board. The Group has engaged its internal auditors to perform an internal review of its sustainability reporting process. The Group has not sought external assurance for this Report.

The Group strives to continuously refine its sustainability strategy and practices. The Group greatly welcomes your feedback and comments regarding this Report. You can reach us at support@biolidics.com.

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

The Group conducted a materiality assessment exercise, referencing the GRI Standards – GRI 3: Materiality Topics 2021. The objective of the exercise was to identify, prioritise and validate ESG factors that are significant to business operations and of interest to the Group's key stakeholders.

With the facilitation of an external consultant and by considering trends and current themes of concern in the healthcare industry as well as the sustainability trends in Singapore and globally, the Group has shortlisted and identified 10 material ESG factors. Then, the Group conducted a materiality assessment in the form of questionnaires. Shareholders, customers and employees from different business units across the Group were involved in completing the materiality survey and rated the relative importance of these factors according to the significance of their impacts on the economy, environment, and people, including impacts on the human rights. Based on the results of the materiality survey, the priority of different material ESG factors was identified and disclosed in the table below. The results of the materiality assessment has been reviewed and approved by the Management and the Board. Compared with FY2021, climate change mitigation and adaption, anti-corruption as well as diversity, equal opportunity and non-discrimination are newly included to cater to the growing concerns from different stakeholders over these issues.

The following table depicts the relative importance of the Group's material factors for FY2022.

Material Factors	Rating	Sustainability Aspects	For Detailed Information
Economic Performance	**2**		• Operations & Financial Review, pages 6 to 8 • Financial Statements, pages 69 to 130 • Sustainability Report, page 19
Climate Change Mitigation and Adaption	**10**		Sustainability Report, page 20
Occupational Health and Safety (including Effluents and Waste)	**5**		Sustainability Report, page 22
Talent Retention (including Training and Education)	**4**		Sustainability Report, pages 23 to 24
Diversity, Equal Opportunity and Non-discrimination	**8**		Sustainability Report, pages 25 to 26
Research and Development/ Innovation	**6**		Sustainability Report, pages 26 to 27
Customer Privacy	**2**		Sustainability Report, page 27
Product Quality and Safety	**1**		Sustainability Report, page 28
Anti-corruption	**7**		Sustainability Report, page 29
Environmental and Socioeconomic Compliance	**9**		Sustainability Report, page 30

Legend:

Economic Environmental Social Governance

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

The Group recognises that communicating with its stakeholders allows it to further develop and refine its 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 	• Quality of products and services • Customer needs • User experience	• Contact form on Biolidics' website • Product promotions • Customer and technical support	When applicable
Technology partners 	• Market and industry trends • Long-term partnership	• Regular meetings and follow-ups • Partner support channel • Technical updates	Throughout the year
Employees 	• Training and development of employees • Recruitment and retention of skilled employees • Well-being of employees	• Regular meetings and briefings • Employee performance review • Training programmes	Throughout the year
Governments and regulators 	• Compliance with laws and regulations	• Meetings and consultations • License applications and regulatory filings • Responding to requests for information (e.g. through surveys)	Throughout the year
Shareholders 	• Biolidics' financial performance • Good corporate governance • Sustainable business growth	• Annual general meetings • Announcements of material information, including financial performance, through SGXNET and Biolidics' website	Periodically

ECONOMIC

Economic Performance

For more information regarding the Group's economic performance for FY2022, please refer to the Operations & Financial Review section (pages 6 to 8) and Financial Statements section (pages 69 to 130) of this annual report.

SUSTAINABILITY REPORT

ENVIRONMENTAL

Climate Change Mitigation and Adaption

FY2022 Performance
• In FY2022, the Group's greenhouse gas ("**GHG**") emissions intensity was 0.03 tCO_2e/thousand revenue (S$).
FY2023 Target
• Maintain or reduce GHG emissions intensity in FY2023, using baseline of FY2022 GHG emissions intensity. • Organise at least one activity each year to raise awareness among employees on climate change.

The Group understands the importance of developing a strategy and risk management framework that sets the foundation for the Group's climate resilience. The Group acknowledges that the Task Force on Climate-Related Financial Disclosure ("**TCFD**") provides recommendations regarding the disclosure of climate-related financial information. TCFD has four overarching elements, including governance, strategy, risk management and metrics and targets, to assess the impact of key climate-related risks and opportunities. This Report marks the Group's first climate-related disclosure with reference to certain areas of TCFD recommendations, and the Group will continue to strengthen its disclosure with reference to TCFD.

Governance

The Board has oversight of the Group's sustainability strategy including its formulation and reviews disclosures relating to climate-related risk and opportunities and its actions to enhance climate resilience. The Management is responsible for developing objectives, plans and performance metrics, managing and monitoring the overall climate-related sustainability performance, and driving the implementation of relevant initiatives across different departments and business units. The Management will report to and provide suggestions to the Board, where appropriate, regarding the material sustainability issues, including climate-related matters.

Strategy

The Group continuously updates itself on climate-related risks, including physical risks and transition risks, and climatic events affecting its business, strategy and financial planning.

The Group has identified that the transition risks are more material to the Group's business and operation. The Group expects that the laws and regulations related to climate change will become more stringent and more demanding, with developments such as more aggressive government policies and measures to limit GHG emissions, in addition to carbon taxes. As a result, the Group may be exposed to legal risks and compliance requirements which in turn may lead to higher operating costs.

While physical risks generally remain low, the Group still faces extreme weather events such as heavy rainfall and extreme heat, which might disrupt the Group's business operations and pose threat to the health and safety of its employees.

With the increased awareness of climate change, the Group's stakeholders may prefer products and services that are less damaging to the climate. As a result, the transition to a low-carbon business model can bring opportunities. If the Group is able to adopt more environmentally friendly practices in its operations, the Group may be able to seize more business opportunities from business customers who recognise the Group's environmental initiatives.

SUSTAINABILITY REPORT

Risk Management

The Board, with the assistance from the audit committee of the Company, is responsible for risk governance and ensuring that the Management maintains a sound system of risk management and internal controls. Recognising the climate-related risks, along with other ESG risks that affect or will affect its businesses, the Group will include climate change risks into the enterprise risk management process of the Group.

To mitigate the identified risks, the Group has adopted the Climate Change Policy. The Group regularly monitors existing and emerging trends, policies and regulations related to climate change, and reminds the Management when necessary to avoid violations or reputation risks due to delayed response. In addition, the Group has set a target to reduce GHG emissions. As the Group goes beyond compliance to strive to improve the environmental performance of its operations, the Group can quickly adapt to the more stringent regulations that may arise.

Metrics and Targets

The Group is aware that its businesses involve emissions and recognises that reduction of emission is essential. The Group's major sources of GHG emissions is energy indirect GHG emissions from purchased electricity (Scope 2), no direct GHG emissions (Scope 1) were generated. In FY2022, the Group generated a total of 78.80 tCO_2e of GHG emissions, which is equivalent to 0.03 tCO_2e/thousand revenue (S$). GHG emissions data is calculated based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development and the 2021 Electricity Grid Emission Factor issued by the Energy Market Authority of Singapore.

The Group has committed to emissions reduction target to strive to mitigate its GHG emissions. The Group has set an emission target of maintaining or reducing GHG emissions intensity in FY2023, using GHG emissions intensity in FY2022 as the baseline.

SOCIAL AND ENVIRONMENTAL

Occupational Health and Safety (including Effluents and Waste)

FY2022 Performance
• In FY2022, there were no workplace injuries or fatalities.
FY2023 Target
• Maintain zero fatalities and workplace injuries in FY2023.

SUSTAINABILITY REPORT

Occupational Health and Safety

The Group 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 the Group to achieve its growth objectives; and hence, the Group engages with its workforce to continuously innovate and improve its technology.

Safety is of utmost importance to the Group. The Group's 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, the Group has established the Maintenance of Work Environment and Laboratory Safety Manual to specify different types of potential hazards in the workplace and implement corresponding measures based on the seriousness of different types of hazardous, so as to minimise potential risks for all employees. The minimisation of safety-related issues will not only ensure a safe and conducive working environment, but also translate to a reduction in business disruption and protect the reputation of the Group.

Employees of the Group are provided the opportunity to participate and are consulted in the development, implementation, and evaluation of the occupational health and safety management system. The employees are allowed to report work-related hazards, hazardous situations and incidents, however minor, to responsible personnel. Upon receiving relevant report, investigation will be carried out to identify the hazards and risks associated with the case reported, and corrective actions will be made to ensure similar issues would not occur again.

Proper treatment and disposal of biological waste is also essential to the Group to prevent any potential contamination or injury to employees or third parties. Hence, the Group has implemented occupational health and safety management system in accordance to 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;
- Guidelines from MOH: Biosafety and Biosecurity Manual, Housekeeping and General Maintenance, Decontamination and waste management; and
- The Group's internal risk assessment management standards and health and safety guidelines.

In light of COVID-19 pandemic, the Group follows closely the latest Government's guidelines regarding preventive measures against COVID-19, displays posters in office areas to keep its employees informed of the new COVID-19 updates and conduct, and conducts regular inspections to ensure relevant guidelines and measures are properly implemented.

The Group also provides regular training to educate its employees on the potential health and safety hazards in the work environment, and the proper precautions to prevent any accidents. In addition, the Group provides medical and dental benefits to its employees.

In FY2022, the Group is proud to report that it has achieved its target set for FY2022 of having no cases of work-related injuries and fatalities for all employees. Therefore, the absenteeism rates for employees was at an average of zero days per annum. The Group aims to maintain zero fatalities and zero workplace injuries in FY2023.

SUSTAINABILITY REPORT

Effluents and Waste

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

The Group has implemented the Laboratory Safety Manual and adheres to the Environmental Public Health Act (Toxic Industrial Waste) Regulations which require all its 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 waste 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 toxic waste.

SOCIAL

Talent Retention (including Training and Education)

FY2022 Performance
• In FY2022, employees of the Group achieved an average of approximately 43 training hours.
FY2023 Target
• All permanent employees of the Group should achieve an average of at least 20 training hours.

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

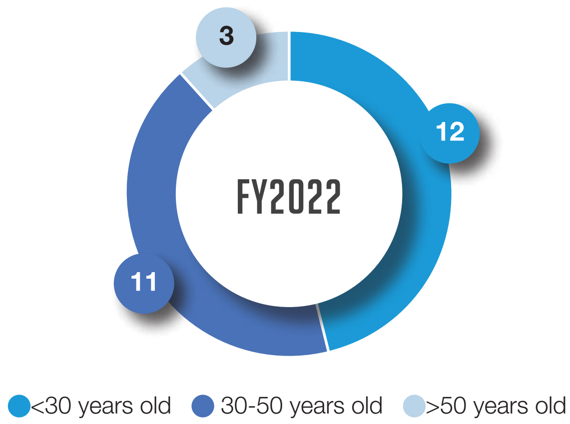
The Group also demonstrates care for its employees through comprehensive welfare and benefits schemes, including, but not limited to, healthcare, dental, disability and invalidity coverage as well as retirement provision for full-time employee. Full-time employees are also entitled to different leave types, such as annual leave, parental leave, childcare leave, medical and hospitalisation leave, etc. In FY2022, 3 male employees and 5 female employees were entitled to and took parental leave. All of these employees returned to work in FY2022 after their parental leave had ended. Therefore, the return-to-work rate is 100% in FY2022. 3 male employees and 4 female employees that returned to work after their parental leave had ended were still employed by the Group 12 months after their return to work.

Furthermore, the Group has 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 the Group, and to give recognition to outstanding employees who have contributed to the growth of the Group. Eligible participants under the Plan will have the opportunity to participate in the equity of the Group, therefore inculcating a stronger sense of identity with its long-term success. This will help promote organisational commitment, dedication and loyalty of these employees to the Group.

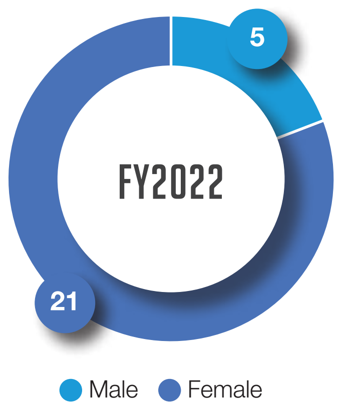
SUSTAINABILITY REPORT

For FY2022, all employees of the Group are located in Singapore. The average monthly new employee hiring rate and the average monthly employee turnover were at 2.2 persons and 2.5 persons respectively. The breakdown of the new employees hired and turnover of the Group by age group and gender is as follows:

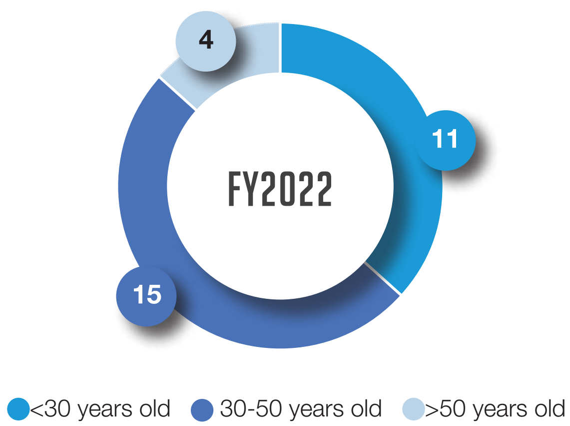
New employee hire – by age group



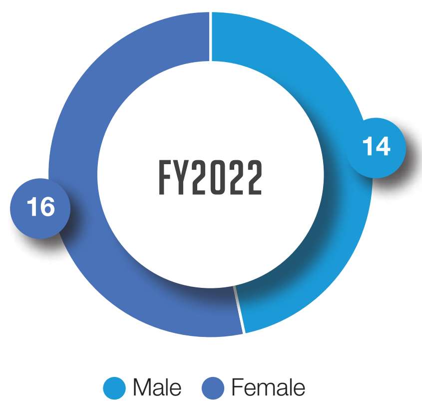
New employee hire – by gender



Turnover – by age group



Turnover – by gender



Training and Education

The Group believes in investing in and strengthening its 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 the employees. These opportunities can be in the form of on-the-job training, internal training and continuing education programmes.

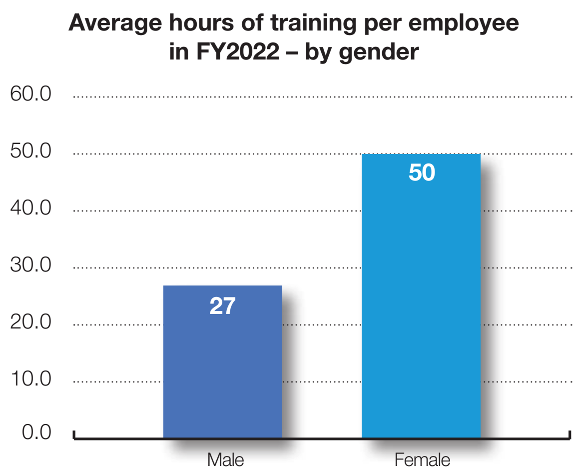
The Company is certified with ISO 13485:2016[1] and has developed a standard operating procedure within the ISO 13485:2016 framework to identify training needs, execute training programs and maintain records of training to ensure proper assignment of job functions to its employees.

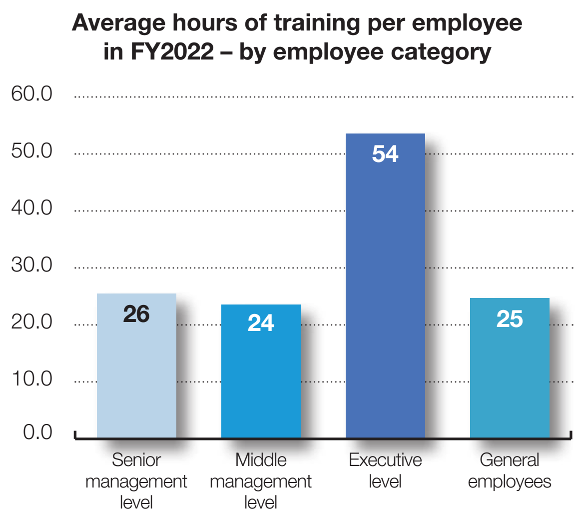
[1] ISO 13485:2016 – Medical devices – Quality management systems – Requirements for regulatory purposes.

SUSTAINABILITY REPORT

Any additional training needs are identified and reviewed annually, and the Group encourages its 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. The Group monitors training progress by maintaining training records for all its employees.

In FY2022, all employees received a regular performance and career development review, and employees of the Group achieved an average of approximately 43[2] training hours. Therefore, the Group achieved its target set for FY2022 that all permanent employees should complete at least 20 hours of training per year. The details of the average training hours per employee are as follows:





Diversity, Equal Opportunity and Non-discrimination

FY2022 Performance
• In FY2022, no incidents of discrimination were reported.
FY2023 Target
• Achieve zero reported incidents of discrimination. • Maintain at least 50% of employees to be female.

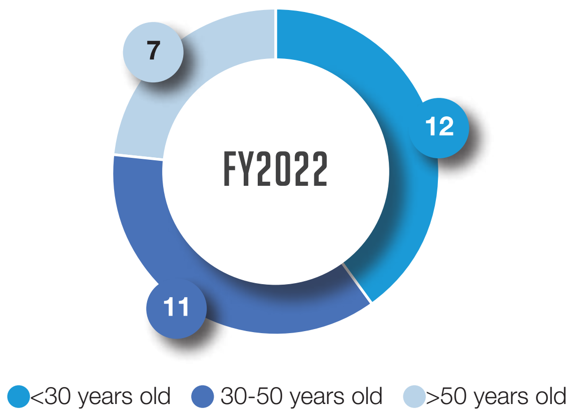
The Group recognises the value of a diverse and skilled workforce and endeavours to create an inclusive and collaborative workplace culture in which all can thrive. The Group is committed to promoting a discrimination-free work environment and to providing equal opportunity in all aspects of employment. The Group adheres to the principles of equal opportunities and anti-discrimination in every aspect of its employees' careers, including employment, selection, job assignment, compensation, discipline, termination, and access to benefits and training. The Group requires all employees to respect each other and does not tolerate any discrimination, such as sexual harassment, verbal attack and assault, regardless of age, gender, race, colour, social status, nationality, religious belief, disability, marital status, pregnancy, sexual orientation, union membership, political association, and other factors. Any employees violating the above principles will be subjected to disciplinary sanctions.

[2] Number has been rounded up.

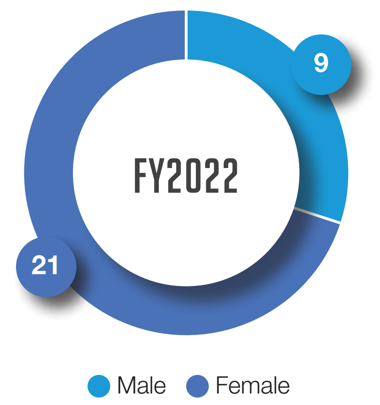
SUSTAINABILITY REPORT

As at 31 December 2022, the Group's workforce totalled 30 employees, all of whom were permanent and full-time employees employed in Singapore. Male and female employees represented 30% and 70% of the employee base respectively. The Board consists of 5 male directors, with 2 between the ages of 30 and 50 and 3 above the age of 50. Following the appointment of Ms Ch'ng Li-Ling, the Board consists of 4 male directors and 1 female director as at the date of this Report. The breakdown of employees by age group and by gender is as follows:

Total number of employees – by age group



Total number of employees – by gender



The breakdown of employees per employee category by age group and gender is as follows:

	Senior management level	Middle management level	Execution level	General employees
Male	2	2	3	2
Female	–	3	16	2
<30 years old	–	–	10	2
30 – 50 years old	1	4	6	–
>50 years old	1	1	3	2

The Group aims to maintain zero reported incidents of discrimination and at least 50% of its employees to be female in FY2023.

Research and Development/Innovation

FY2022 Performance
• In FY2022, the Group has enhanced collaboration with existing partners.
FY2023 Target
• In FY2023, the Group aims to enhance collaboration with existing partners.

SUSTAINABILITY REPORT

The Group's ability to identify and develop innovative technology and products has contributed to the development and growth of the Group. The Group 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, the Group 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.

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

The Group has achieved its target set for FY2022 to further enhance collaboration with existing partners. However, due to the business downturn and changes in the Group's business strategy to focus on costs control, the Group did not meet its target set for FY2022 of further enhancing collaboration with new partners and entering collaboration with new partners for identified objectives. In FY2023, the Group aims to enhance collaboration with existing partners.

Customer Privacy

FY2022 Performance
• In FY2022, there were no known substantiated complaints concerning breaches of customer privacy and no known cases of identified leaks, thefts or losses of customer data.
FY2023 Target
• Maintain zero known cases concerning breaches of customer privacy, identified leaks, thefts or losses of customer data.

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

The Group adheres to and upholds the provisions of the Personal Data Protection Act 2012 as it seeks to use its patients' data to serve them responsibly. Within the laboratory, patients' consent is obtained via forms for collection of personal data prior to the collection. The use, disclosure and processing of personal data is limited to healthcare and related use only. 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 programme or link requested by the client. The Group collects the minimum amount of information absolutely needed in providing its services.

Entry to the Group's laboratories is restricted to access pass holders and the storage area for patient reports and data is restricted to authorised 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.

The Group aims to continue to strengthen its internal monitoring efforts in safekeeping of personal data of its customers and ensuring that the Group's procedures are up to date with the latest regulations. The Group has achieved its target set for FY2022 to maintain zero known cases concerning breaches of customer privacy, identified leaks, thefts or losses of customer data.

SUSTAINABILITY REPORT

Product Quality and Safety

FY2022 Performance
• Customer satisfaction survey: 80% average rating in customers' satisfaction with the ClearCell® FX1 System from at least 10 responses to the customer survey. • Product quality: 100% pass rate for the ClearCell® FX1 System prior to release. There were less than 5% of CTChip® FRI biochip failure due to leaky chip. • Customer feedback response time: 100% customer feedbacks/complaints acknowledged within 7 days. • Corrective action preventive action ("**CAPA**") response time: All CAPA investigations and implementations of proposed CAPA actions were completed within 1 month and 3 months, respectively. • Field safety corrective action: zero product recall.
FY2023 Target
• Customer satisfaction survey: 80% average rating in customers' satisfaction with the ClearCell® FX1 System from at least 5 responses to the customer survey. • Product quality: 100% pass rate for the ClearCell® FX1 System prior to release. Less than 5% of CTChip® FRI biochip failure due to leaky chip. • Customer feedback response time: 100% customer feedbacks/complaints acknowledged within 7 days. • CAPA response time: All CAPA investigations and implementations of proposed CAPA actions completed within 1 month and 3 months, respectively. • Field safety corrective action: zero product recall.

The Group takes product quality and safety seriously. Providing products that meet the required quality and safety standards is part of the Group's top priority. By maintaining a high product quality and safety standard, the Group 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 the Group's reputation, operations and financial performance.

The Group's quality assurance capabilities have been recognised through its ISO 13485 certification.

The Group is 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 the Group:

- 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 the Group's products. Regular management meetings are also conducted to review quality objectives and outstanding non-conformance issues.

The Group has achieved its target set for FY2022 regarding customer satisfaction survey, product quality, customer feedback response time, CAPA response time and field safety corrective action.

SUSTAINABILITY REPORT

SOCIAL AND GOVERNANCE

Anti-corruption

FY2022 Performance
• In FY2022, there were zero confirmed incidents of corruption/public legal cases regarding corruption brought against the Group.
FY2023 Target
• Maintain zero confirmed incidents of corruption/public legal cases regarding corruption brought against the Group.

As a corporation that upholds its business integrity, the Group has zero-tolerance towards any form of corruption, bribery, extortion, money laundering, and fraud, which not only violate laws and regulations but also jeopardise the Group's image and reputation. The Group has formulated and implemented the Whistle-blowing Policy and signed the Employment Agreement and the Employee Confidentiality Agreement with its employees regarding code of conduct and ethical issues. Such policies are communicated to all employees and Directors. All employees are expected to refrain from engaging in corrupt practices, graft, and acceptance of bribes, speculative practices, intentional omissions, and abuse of power to seek personal gain.

The Group conducted risk assessment related to corruption in all its operations, and no significant risks related to corruption was identified through the risk assessment in FY2022.

The Group also regularly conducts anti-corruption and ethics training for its Directors and relevant employees. In FY2022, all five Directors received anti-corruption training. The training aimed at familiarising Directors with their roles and responsibilities in ethics management, managerial staff with their roles of managing staff integrity, assessing the risks and preventing corruption in the workplace, and the general staff with the skills to handle ethical dilemmas at work.

In addition, the Whistle-blowing Policy has been put in place for employees and external parties, such as suppliers, customers, contractors and other stakeholders, to report their concerns or complaint regarding internal control, conflict of interest, collusion with competitors, serious breaches of Group policy, unsafe work practices or any other matters involving fraud, corruption and employee misconduct. Employees and external parties are allowed to report any suspicious practices or inappropriate activities and bring them immediately to the attention of the AC and/or the Board. The Group will address such reports by taking appropriate action, including, but not limited to, disciplining or terminating the employment and/or services of those responsible. It is also the Group's policy to protect genuine whistle-blowers from any unfair treatment as a result of their report.

During FY2022, there were no confirmed incidents of corruption/public legal cases regarding corruption brought against the Group. In FY2023, the Group aims to maintain zero confirmed incidents of corruption/public legal cases regarding corruption brought against the Group.

SUSTAINABILITY REPORT

GOVERNANCE

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

Environmental and Socioeconomic Compliance

FY2022 Performance
• Zero instance of non-compliance with laws and regulations in the environmental, social and economic areas.
FY2023 Target
• Maintain zero non-compliance with laws and regulations in the environmental, social and economic areas.

The Group's products and business activities are regulated by various laws and regulations governing medical devices in the countries it markets and sell its products in. The Group is subjected to extensive supervision by governments and other agencies in various aspects of its 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 the Group to comply with various laws and regulations in the environmental, social and economic areas.

The Group is committed to providing innovative high-quality biomedical products and services that meet or exceed the expectations of its customers. The Group 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 the Quality System and Risk Management in line with ISO 13485:2016 requirements;
- Maintaining a shared quality vision and a focus on continuous improvement to the products, processes and services (including delivery);
- Understanding the requirements and meeting the needs of the 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 employees of the Group are aware of the relevant regulatory requirements, the Group has included the above activities in the employee training programme.

In FY2022, the Group is proud to report that it has achieved the target set for FY2022 to have zero instances of non-compliance with laws and regulations in the social and economic areas. However, the Group did not achieve the target set for FY2022 to continue to conduct social and economic compliance training for all new hires in FY2022. In FY2023, due to changes in HR personnel, the Group aims to continue to have zero non-compliance with laws and regulations in the environmental, social and economic areas.

SUSTAINABILITY REPORT

SGX CONTENT INDEX

Primary Component	Section Reference
Material environmental, social and governance factors	Sustainability Report – Materiality Assessment
Climate-related disclosures	Sustainability Report – Climate Change Mitigation and Adaptation
Policies, practices and performance	Sustainability Report – Economic Performance, Environmental, Social and Environmental, Social, Social and Governance, Governance
Targets	Sustainability Report – Environmental, Social and Environmental, Social, Social and Governance, Governance
Sustainability reporting framework	Sustainability Report – About this Report
Board statement and associated governance structure for sustainability practices	Sustainability Report – Board Statement

GRI CONTENT INDEX

Statement of Use	Biolidics Limited has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Indicator	Description	Session/Explanation
GRI 2: General Disclosures 2021		
2-1	Organisational details	• Legal name: Biolidics Limited • Nature of ownership and legal form: listed company on Catalist of SGX-ST • Location of headquarters and country of operation: Singapore
2-2	Entities included in the organisation's sustainability reporting	Sustainability Report – About this Report
2-3	Reporting period, frequency and contact point	• Reporting period: 1 January 2022 to 31 December 2022 • Reporting frequency: annually • Publication date: 13 April 2023 • Contact point: support@biolidics.com
2-5	External assurance	Sustainability Report – About this Report
2-6	Activities, value chain and other business relationships	Corporate Profile, Commercial Applications of Our Cancer Diagnostics Technology, Diagnostic Solutions for Infectious Diseases, Laboratory Services
2-7	Employees	Sustainability Report – Diversity, Equal Opportunity and Non-discrimination

SUSTAINABILITY REPORT

GRI Indicator	Description	Session/Explanation
2-9	Governance structure and composition	Boards of Directors, Executive Officers, Sustainability Report – Board Statement, Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report – Board Statement, Materiality Assessment Corporate Governance
2-13	Delegation of responsibility for managing impacts	Sustainability Report – Board Statement
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report – Board Statement, Materiality Assessment
2-15	Conflicts of interest	Corporate Governance
2-27	Compliance with laws and regulations	Sustainability Report – Environmental and Socioeconomic Compliance
2-29	Approach to stakeholder engagement	Sustainability Report – Stakeholder Engagement
GRI 3: Materiality Topics 2021		
3-1	Process to determine material topics	Sustainability Report – Materiality Assessment
3-2	List of material topics	Sustainability Report – Materiality Assessment
GRI 201: Economic Performance 2016		
3-3	Management of material issues	Operations & Financial Review, Sustainability Report – Climate Change Mitigation and Adaption
201-1	Direct economic value generated and distributed	Financial Statements
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report – Climate Change Mitigation and Adaption
GRI 205: Anti-corruption 2016		
3-3	Management of material issues	Sustainability Report – Anti-corruption
205-1	Operations assessed for risks related to corruption	Sustainability Report – Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report – Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report – Anti-corruption

SUSTAINABILITY REPORT

GRI Indicator	Description	Session/Explanation
GRI 305: Emissions 2016		
3-3	Management of material issues	Sustainability Report – Climate Change Mitigation and Adaption
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report – Climate Change Mitigation and Adaption
305-4	GHG emissions intensity	Sustainability Report – Climate Change Mitigation and Adaption
GRI 306: Waste 2020		
3-3	Management of material issues	Sustainability Report – Effluents and Waste
306-2	Management of significant waste-related impacts	Sustainability Report – Effluents and Waste
GRI 401: Employment 2016		
3-3	Management of material issues	Sustainability Report – Talent Retention (including Training and Education), Sustainability Report – Diversity, Equal Opportunity and Non-discrimination
401-1	New employee hires and employee turnover	Sustainability Report – Talent Retention (including Training and Education)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report – Diversity, Equal Opportunity and Non-discrimination
401-3	Parental leave	Sustainability Report – Diversity, Equal Opportunity and Non-discrimination
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material issues	Sustainability Report – Occupational Health and Safety
403-1	Occupational health and safety management system	Sustainability Report – Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report – Occupational Health and Safety
403-5	Worker training on occupational health and safety	Sustainability Report – Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report – Occupational Health and Safety
403-9	Work-related injuries	Sustainability Report – Occupational Health and Safety

SUSTAINABILITY REPORT

GRI Indicator	Description	Session/Explanation
GRI 404: Training and Education 2016		
3-3	Management of material issues	Sustainability Report – Training and Education
404-1	Average hours of training per year per employee	Sustainability Report – Training and Education
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Training and Education
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material issues	Sustainability Report – Diversity, Equal Opportunity and Non-discrimination
405-1	Diversity of governance bodies and employees	Sustainability Report – Diversity, Equal Opportunity and Non-discrimination
GRI 406: Non-discrimination 2016		
3-3	Management of material issues	Sustainability Report – Diversity, Equal Opportunity and Non-discrimination
406-1	Incidents of discrimination and corrective actions taken	Sustainability Report – Diversity, Equal Opportunity and Non-discrimination
GRI 418: Customer Privacy 2016		
3-3	Management of material issues	Sustainability Report – Customer Privacy
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report – Customer Privacy

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 Company and its subsidiaries (the "**Group**").

For FY2022, 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 and the disclosure guide developed by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2015.

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 explanation have been provided in the relevant sections below where there are deviations from the Code.

The Company also ensures that all applicable laws, rules and regulations including the Securities and Futures Act 2001 of Singapore and the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") are duly complied with.

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.

As at the date of this annual report, the Board comprises the following directors ("**Directors**")(1):

Gavin Mark McIntyre(1)	Non-Executive Independent Chairman ("**Chairman**")
Song Tang Yih	Executive Director and Chief Executive Officer ("**CEO**")
Chia Beng Kwan(2)	Independent Director
Ian David Brown	Independent Director
Ch'ng Li-Ling(3)	Independent Director

(1) Yee Pinh Jeremy resigned as the Non-Executive Non-Independent Chairman on 7 February 2022, with his effective cessation date being on the same day. Following Yee Pinh Jeremy's resignation, Gavin Mark McIntyre was appointed as Chairman on 7 February 2022. Leong Yow Seng resigned as the Lead Independent Director on 17 October 2022, with his effective cessation date being 31 October 2022 and Chen Johnson resigned as the Non-Executive Non-Independent Director on 11 January 2023, with his effective cessation date being 1 February 2023.

(2) Chia Beng Kwan will be retiring and not be seeking re-election as a Director at the forthcoming annual general meeting of the Company ("**AGM**").

(3) Ch'ng Li-Ling was appointed as an Independent Director on 31 March 2023.

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 Catalist Rules and the Companies Act 1967 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.

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 Group'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 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**") of the Company (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	Gavin Mark McIntyre	Chia Beng Kwan(4)	Ian David Brown(2)
Members	Chia Beng Kwan(4)	Gavin Mark McIntyre(3)	Gavin Mark McIntyre(1)(2)
	Ian David Brown	Ian David Brown	Chia Beng Kwan(1)(4)

Notes:
(1) 7 February 2022 – Following Gavin Mark McIntyre's cessation as a member of the RC, Chia Beng Kwan was appointed as a member of the RC.
(2) 17 October 2022 – Following Leong Yow Seng's resignation as the Lead Independent Director and his cessation as the Chairman of the RC and a member of the AC and the NC, Ian David Brown was re-designated as the Chairman of the RC and Gavin Mark McIntyre was re-appointed as a member of the RC.
(3) 1 February 2023 – Following Chen Johnson's resignation as the Non-Executive Non-Independent Director and his cessation as a member of the NC, Gavin Mark McIntyre was appointed as a member of the NC.
(4) Chia Beng Kwan will be retiring and not be seeking re-election as a Director at the forthcoming AGM. Accordingly, Chia Beng Kwan will cease to be the Chairman of the NC and a member of the AC and 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.

CORPORATE GOVERNANCE

Board Meetings and Attendance

The attendance of the Directors at the Board and Board Committee meetings for FY2022 are as follows:

Name	Board Number of meetings held: 3 Number of meetings attended	AC Number of meetings held: 3 Number of meetings attended	NC Number of meeting held: 1 Number of meetings attended	RC Number of meetings held: 1 Number of meetings attended
Chen Johnson(3)	3	NA	1 (Member)	NA
Gavin Mark McIntyre(1), (2) and (3)	3	3 (Chairman)	NA	NA
Leong Yow Seng(2)	2	2 (Member)	1 (Member)	1 (Chairman)
Chia Beng Kwan(1)	3	3 (Member)	1 (Chairman)	1 (Member)
Ian David Brown(2)	3	3 (Member)	1 (Member)	1 (Member)
Song Tang Yih	3	NA	NA	NA
Ch'ng Li-Ling(4)	NA	NA	NA	NA

NA – Not Applicable

Notes:

(1) 7 February 2022 – Following Gavin Mark McIntyre's appointment as the Chairman of the Board, Gavin Mark McIntyre resigned as a member of the RC and Chia Beng Kwan was appointed as a member of the RC.

(2) 17 October 2022 – Following Leong Yow Seng's resignation as the Lead Independent Director and his cessation as the Chairman of the RC and a member of the AC and the NC, Ian David Brown was re-designated as the Chairman of the RC and Gavin Mark McIntyre was re-appointed as a member of the RC.

(3) 1 February 2023 – Following Chen Johnson's resignation as the Non-Executive Non-Independent Director and his cessation as a member of the NC, Gavin Mark McIntyre was appointed as a member of the NC.

(4) 31 March 2023 – Ch'ng Li-Ling was appointed as an Independent Director.

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 Executive Director and CEO who is assisted by experienced and qualified 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 newly appointed 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.

Newly appointed Directors are briefed on the Group's businesses and governance practices by the CEO and senior management. The orientation programme also includes a familiarisation tour of selected premises within the Group. The programme allows new Directors to get acquainted with senior management, thereby facilitating Board interaction and independent access to Management. Where necessary, the Company will provide training for first-time Directors in areas such as accounting, legal and industry-specific knowledge and first-time Directors are required to attend training and courses organised by the Singapore Institute of Directors or relevant modules under the Listed Entity Directors Programme to meet the mandatory training requirements under Rule 406(3)(a) of the Catalist Rules at the Company's expense.

During FY2022, all the Directors have attended the mandatory sustainability training courses to equip themselves with basic knowledge on sustainability matters.

CORPORATE GOVERNANCE

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.

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 Committees 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 5 Directors, 4 of whom are independent, which complies with Rule 406(3)(c) of the Catalist Rules which requires Independent Directors to, among others, make up at least one-third of the Board.

CORPORATE GOVERNANCE

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.

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 the 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 9 years since the date of his/her first appointment.

Board Diversity Policy

As at the date of this annual report, the Board comprises 5 Directors, comprising 1 Executive Director and 4 Independent Directors, who have the appropriate mix of core competencies and diversity of experience, to direct and lead the Company.

The Company recognises the importance and benefits of diversity in all ways, including gender, age, background and other distinguishing factors/qualities. Diversity on the Board is an essential element to support the attainment of the Company's strategic objectives for sustainable and balanced development.

As at the date of this annual report, the Company has formalised and maintained a Board Diversity Policy that addresses diversity in terms of experience, skills, gender, age, tenure, and qualities, as well as any other relevant aspects of diversity. The Board Diversity Policy also sets out the approach which the Company takes towards diversity on its Board. The Company believes in diversity and values the benefits diversity can bring to the Board in its deliberations and the Board's effectiveness – in particular, it believes that a balance and mix of skills, experiences and individual attributes of Board members which shape the composition and promote the effectiveness of the Board as a whole and that of the Board committees, will support the Company's achievement of strategic objectives and long-term sustainable development and success. The Board observes and applies the Board Diversity Policy to ensure that the Board will have an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. While it is important to promote boardroom diversity in terms of gender, ethnicity and age, the Board believes that the normal selection criteria based on independence, skills, knowledge and experience should remain a priority.

CORPORATE GOVERNANCE

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. As at the date of this annual report, the Board comprises 4 male Directors and 1 female Director. The Company continues to be receptive to achieving greater gender diversity and representation on the Board to complement the core competencies of the Board as a whole.

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 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, are done on a periodic basis to ensure that the Board dynamics remain optimal.

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 CEO

The roles of the Chairman and the 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 CEO.

CORPORATE GOVERNANCE

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 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

The Board is of the view that there are sufficient safeguards and checks in place to ensure that there is good balance of power, accountability and capacity of the Board for independent decision-making.

Provision 3.3 of the Code in relation to the appointment of a lead independent director is not applicable to the Company following the appointment of Gavin Mark McIntyre as the Non-Executive Independent Chairman of the Board on 7 February 2022.

Independent Directors Meetings in Absence of Other Directors

To facilitate well-balanced viewpoints on the Board, the Independent Directors will, where necessary, conduct meetings without the involvement of other non-independent Directors.

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, all of whom, including the chairman, are Independent Directors. The members of the NC as at the date of this annual report are as follows:

Chia Beng Kwan(1)	Chairman
Gavin Mark McIntyre(2)	Member
Ian David Brown	Member

(1) Chia Beng Kwan will be retiring and not be seeking re-election as a Director at the forthcoming AGM. Accordingly, Chia Beng Kwan will cease to be the 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.

(2) Following Chen Johnson's resignation as the Non-Executive Non-Independent Director and his cessation as a member of the NC on 1 February 2023, Gavin Mark McIntyre was appointed as a member of the NC with effect from 1 February 2023.

CORPORATE GOVERNANCE

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/her 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/her 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/her directorships in other listed companies and other principal commitments. The NC also believes that it is for each Director to assess his/her 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.

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/her ability to devote sufficient time and attention to the Group's affairs, having regard to his/her 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.

CORPORATE GOVERNANCE

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	• The NC will assess the performance of the Director in accordance with the performance criteria set by the Board. • The NC will also consider the current needs of the Board.
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.

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Pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to the Constitution, at least one-third of the Board (or, if their number is not a multiple of 3, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM and such retiring Director shall be eligible for re-election. In addition, new Directors appointed during the financial year, either to fill casual vacancy or as an additional Director, are required to submit themselves for re-election at the next AGM.

The NC has reviewed and recommended to the Board that Chia Beng Kwan, Song Tang Yih and Ch'ng Li-Ling be nominated for retirement and re-election at the Company's forthcoming AGM.

Chia Beng Kwan has indicated to the NC and the Board that he will not be seeking re-election as a Director at the forthcoming AGM. Accordingly, Chia Beng Kwan will retire as an Independent Director and cease to be the Chairman of the NC and a member of the AC and the RC at the conclusion of the forthcoming AGM.

Song Tang Yih and Ch'ng Li-Ling have consented to stand for re-election as Directors. The NC in making the recommendation, had considered Song Tang Yih's overall contributions and performance and competencies in fulfilling his responsibilities as the Executive Director and CEO of the Company. For Ch'ng Li-Ling who joined the Board on 31 March 2023, the NC had considered her experience, qualifications, skill sets and competencies and the NC is of the view that her continual appointment would be beneficial to the Board and to the Company. The Board has accepted the recommendation of the NC and recommends to the Shareholders to approve the re-election of Song Tang Yih and Ch'ng Li-Ling as Directors at the forthcoming AGM.

The details of Song Tang Yih and Ch'ng Li-Ling who are seeking re-election as Directors at the forthcoming AGM can be found on pages 139 to 143 of this annual report.

Continuous Review of Director's Independence

The Independent Directors have declared their independence for FY2022 in accordance with the Code. Following its annual review, for FY2022, the NC considered Gavin Mark McIntyre, Chia Beng Kwan and Ian David Brown to be independent.

For FY2022, 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 FY2022, the NC is satisfied that sufficient time and attention have been given by the Directors to the affairs of the Group and is of the opinion that each of the Directors is able to and have been adequately carrying out his duties as a Director, notwithstanding that some of the Directors have multiple board representations. None of the Directors had appointed an alternate director in FY2022.

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.

Directors' Key Information

Key information regarding the Directors such as their date of first appointment, directorship(s) held in other listed companies and principal commitments are set out on pages 9 to 11 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.

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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 FY2022 and that the Board has met its performance objectives in FY2022. The evaluation process of the overall performance of the Board was conducted without an external facilitator in FY2022.

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.

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, all of whom, including the chairman, are Independent Directors:

Ian David Brown(1)	Chairman
Gavin Mark McIntyre(1)	Member
Chia Beng Kwan(2)	Member

(1) Following Leong Yow Seng's resignation as the Lead Independent Director and his cessation as the Chairman of the RC on 17 October 2022, Ian David Brown was re-designated as the Chairman of the RC and Gavin Mark McIntyre was re-appointed as a member of the RC with effect from 17 October 2022.
(2) Chia Beng Kwan will be retiring and not be seeking re-election as a Director at the forthcoming AGM. Accordingly, Chia Beng Kwan 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.

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.

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;

CORPORATE GOVERNANCE

(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/her 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. The Company did not engage any external remuneration consultant for FY2022.

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 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.

The Company had on 1 September 2021, entered into a service agreement (the "**Service Agreement**") with the Executive Director and CEO, Song Tang Yih, for an initial period of 3 years (the "**Initial Term**") which is renewable automatically on a yearly basis upon expiry of the Initial Term, unless otherwise agreed in writing between the Company and the CEO or terminated in accordance with the Service Agreement.

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.

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

(a) inculcate 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) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Company.

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.

During FY2022, 1,135,000 Awards which were granted in FY2020 to the relevant Participants of the Group under the Plan ("**FY2020 Awards**"), representing all the outstanding FY2020 Awards, had lapsed or were forfeited. In FY2022, no new Awards were granted under the Plan.

On 28 February 2023, the Company granted Awards of which up to 70,418,300 shares will be issued upon the vesting of such Awards (the "**FY2023 Awards**") to the relevant Participants of the Group under the Plan. On the vesting period of the FY2023 Awards, (a) 28,258,700 shares were vested on the date of the grant and were allotted and issued in March 2023; (b) up to 21,079,800 FY2023 Awards will vest within 2 months from 1 March 2023, subject to the achievement of predetermined performance targets; and (c) up to 21,079,800 FY2023 Awards will vest within 4 months from 1 January 2024, subject to the achievement of predetermined performance targets.

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 and CEO for FY2022 is as follows:

Name of Director	Salary (%)	Benefits (%)	Bonus (%)	Share-based payment (vested) (%)	Directors' fee (%)	Total (%)
Between S$500,000 to S$750,000						
Song Tang Yih	38	–	3	59[5]	–	100
Below S$250,000						
Gavin Mark McIntyre	–	–	–	–	100	100
Chia Beng Kwan	–	–	–	–	100	100
Ian David Brown	–	–	–	–	100	100
Chen Johnson[1]	–	–	–	–	100	100
Leong Yow Seng[2]	–	–	–	–	100	100
Yee Pinh Jeremy[3]	–	–	–	–	100	100
Chn'g Li-Ling[4]	–	–	–	–	–	–

Notes:

(1) Chen Johnson resigned as the Non-Independent Non-Executive Director on 11 January 2023, with his effective cessation date being 1 February 2023.

(2) Leong Yow Seng resigned as the Lead Independent Director on 17 October 2022, with his effective cessation date being 31 October 2022.

(3) Yee Pinh Jeremy resigned as the as the Non-Executive Non-Independent Chairman on 7 February 2022, with his effective cessation date being on the same day.

(4) Ch'ng Li-Ling was only appointed as a Director on 31 March 2023 and accordingly, no remuneration was paid to her in FY2022.

(5) These relate to the Awards for past performances in FY2022 which were granted and had vested on 28 February 2023.

Save as disclosed above, no compensation was paid in the form of share awards to the Directors in FY2022. There were no terminations, retirements and/or post-employment benefits granted to the Directors in FY2022.

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Key Management Personnel's Remuneration

The breakdown of the total remuneration of the Group's key management personnel (who are not Directors) for FY2022 is as follows:

Name of key management personnel[1]	Salary (%)	Benefits (%)	Share-based payment (vested) (%)	Bonus (%)	Total (%)
Below S$250,000					
Siu Yeung Sau[2]	55	–	39[6]	6	100
Tan Wei Chee[3]	100	–	–	–	100
Hue Han Seung[4]	100	–	–	–	100
Leong Man Chun[5]	100	–	–	–	100

Notes:

(1) During FY2022, the Group only had 4 key management personnel (who are not Directors).

(2) Siu Yeung Sau was appointed as the Financial Controller of the Company ("**FC**") on 1 June 2022.

(3) Tan Wei Chee resigned as the FC on 5 May 2022 with his effective cessation date being 20 May 2022.

(4) Hue Han Seung resigned as the Director of Corporate Finance and Corporate Development of the Company on 16 March 2022 with his effective cessation date being 29 April 2022.

(5) Leong Man Chun resigned as the Chief Scientific Officer of the Company on 17 June 2022 with his effective cessation date being 1 July 2022.

(6) These relate to the Awards for past performances in FY2022 which were granted and had vested on 28 February 2023.

Save as disclosed above, no compensation was paid in the form of share awards to the key management personnel of the Group in FY2022. There were no terminations, retirements or post-employment benefits granted to the Group's key management personnel in FY2022.

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 FY2022 was approximately S$362,000.

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 an immediate family member of a Director, the CEO or a substantial Shareholder, whose remuneration exceeded S$100,000 during FY2022.

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Performance Criteria for Remuneration

The remuneration received by the key management personnel takes into consideration his 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.

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, NLA Risk Consulting Pte Ltd ("**NLA**"). 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 CEO and FC in respect of FY2022:

(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.

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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 CEO and the key management personnel, 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 FY2022. The AC concurs with the Board's comments. During FY2022, there were no material weaknesses identified in the Company's internal controls or risk management systems.

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.

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, including the chairman, are Independent Directors(1):

Gavin Mark McIntyre	Chairman
Chia Beng Kwan(2)	Member
Ian David Brown	Member

(1) Leong Yow Seng resigned as the Lead Independent Director on 17 October 2022 and concurrently ceased to be a member of the AC.
(2) Chia Beng Kwan will be retiring and not be seeking re-election as a Director at the forthcoming AGM. Accordingly, Chia Beng Kwan 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 2 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.

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;

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(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 advice 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.

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.

CORPORATE GOVERNANCE

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.

Gavin Mark McIntyre is a non-practicing CPA with CPA Australia and has extensive accounting and financial management knowledge and exposure. Chia Beng Kwan has many years of transactional and management experience in corporate finance. Ian David Brown has accumulated accounting and related financial management expertise and experience from their previous senior management roles.

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 NLA and they report directly to the chairman of the AC and administratively to the CEO and the FC. NLA 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.

NLA is part of NLA DFK, a group of accounting and advisory firms with a history in Singapore since 1948. NLA DFK is a member firm of DFK International, a top 10 international association of independent accounting firms and business advisers. NLA is a suitably appointed qualified firm of risk consultants (including Certified Internal Auditors), with its processes guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The firm currently maintains an outsourced internal audit portfolio of about 20 companies listed on the SGX-ST in various industries, including construction, property development, manufacturing, healthcare, logistics, engineering services and trading. The Engagement Team comprises a Director, a Manager and is supported by a team of trained internal auditors. The Director, Mr Gary Ng has over 20 years of relevant experience and is a Certified Internal Auditor whilst the Manager has more than 10 years of relevant experience and also a Certified Internal Auditor. With reference to the above, the AC is satisfied that NLA has the adequate resources to perform its function effectively.

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Based on the scope of work performed by the internal auditors for FY2022, 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 FY2022.

Independence of External Auditors

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 external auditors 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.

The Company's external auditors, Ernst & Young LLP ("**EY**"), has been the external auditors of the Company since 30 April 2019. EY was last re-appointed as the external auditors of the Company at the AGM held on 28 April 2022, and will hold office until the conclusion of the Company's forthcoming AGM to be held on 28 April 2023. As EY will not be seeking re-appointment as the external auditors of the Company at the forthcoming AGM, Shareholders' approval for the appointment of the incoming external auditors of the Company will be sought at an extraordinary general meeting of the Company to be convened in due course, and in any event, no later than 3 months after the cessation of EY as the Company's external auditors at the conclusion of the forthcoming AGM.

The fees paid/payable to the external auditors EY for audit services for FY2022 were S$120,000. There were no non-audit fees paid to the external auditors for FY2022.

Whistle-blowing Policy

The Group has put in place a whistle-blowing policy. It is intended to provide a framework to promote responsible and secure whistleblowing without fear of reprisal, discrimination or 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 CEO and other appropriate parties. While all complaints received by the FC will be reported to the CEO, whistleblowing complaints alleging fraud and breaches of corporate governance will be escalated to the AC and the Chairman.

The AC will ensure that any disciplinary, civil and/or criminal action that is initiated following the completion of investigations is appropriate and impartial. All investigation reports will be properly documented. The anonymity of the whistle-blower will be maintained and the Company is committed to ensure protection of the whistle-blower against detrimental or unfair treatment.

The AC is responsible for oversight and monitoring of the Group's whistleblowing policy and arrangements.

The Company publicly discloses through its website, and clearly communicates with employees, the existence of the whistleblowing policy which is in compliance with Rule 1204(18B) of the Catalist Rules.

For FY2022, there were no complaints, concerns or issues received by the AC.

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 the Company's 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 FY2022 as the Group was not profitable.

Conduct of Shareholder Meetings

Shareholders are encouraged to participate in the Group's 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.

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

CORPORATE GOVERNANCE

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 AGM held on 28 April 2022, all the then Directors were present.

The Company publishes minutes of general meetings of Shareholders on the Company's 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.

The forthcoming AGM will be convened, and held, 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 (the "**Order**") which currently remains in force. Printed copies of the Notice of AGM ("**Notice**") will not be sent to members. Instead, the Notice will be sent to members by electronic means via publication on the Company's website at the URL http://www.biolidics.com and made available on the SGXNET. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream) and details of relevant procedures including pre-registration, submission of questions and proxy forms, appointment of proxies to attend and vote on Shareholders' behalf at the AGM, "live" voting and "live" question-and-answer session will be informed to members in advance and set out in the Notice.

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.

CORPORATE GOVERNANCE

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.

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 stakeholders' engagements, refer to page 19 of this annual report.

Material Contracts

Save as disclosed in the section below entitled "Interested Person Transactions" of this corporate governance report and the Service Agreement, 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 FY2022 or, if not then subsisting, entered into since the end of FY2021.

CORPORATE GOVERNANCE

Interested Person Transactions ("IPTs")

The AC has reviewed the Group's IPTs for FY2022 to ensure that the IPTs are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders and complied with the general mandate granted by Shareholders at the annual general meeting of the Company held on 28 April 2022 (the "**IPT Mandate**").

There were no interested person transactions (excluding transactions less than S$100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920 of the Catalist Rules) and interested person transactions conducted under the IPT Mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000) during FY2022.

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 quarterly, half year and full year financial statements and ending on the date of the announcement of the relevant results.

Non-sponsor Fees

During FY2022, an amount of S$100,000 (before applicable goods and services tax), being the management fee for the Company's renounceable non-underwritten rights issue ("**Rights Issue**"), was paid to the Company's sponsor, United Overseas Bank Limited ("**UOB**"). Save as disclosed, there was no non-sponsor fee paid to UOB in FY2022.

CORPORATE GOVERNANCE

Use of IPO Proceeds

The Company received net proceeds from its initial public offering of approximately S$6.1 million. As at the date of this annual report, the IPO proceeds have been fully utilised as follows:

	Amount allocated (as disclosed in the Company's offer document and after reallocation as per announcement dated 2 August 2022) (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	(2,700)	–
Advance our pipeline products	2,000	(2,000)	–
General corporate and working capital purposes[(1)]	1,400	(1,400)	–
Total	**6,100**	**(6,100)**	**–**

(1) Comprises operating expenses of the Group.

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. As at the date of this annual report, the Placement proceeds have been fully utilised as follows:

	Amount allocated (as disclosed in the Placement Shares announcement and after reallocation as per announcement dated 2 August 2022) (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	1,300	(1,300)	–
Expansion of the Company's businesses through investments, mergers and acquisitions, joint ventures and/or strategy collaborations with third parties	550	(550)	–
General corporate and working capital purposes[(1)]	1,248	(1,248)	–
Total	**3,098**	**(3,098)**	**–**

(1) Comprises operating expenses of the Group.

CORPORATE GOVERNANCE

Use of Rights Issue Proceeds

Pursuant to the issuance of 227,916,205 new shares following the completion of the Rights Issue on 2 December 2022, the Company received net proceeds of approximately S$5.4 million.

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

	Amount allocated (as disclosed in the results of Rights Issue announcement dated 2 December 2022) (S$'000)	**Amount utilised as at the date of this annual report (S$'000)**	**Balance (S$'000)**
Working capital requirements of the Group[(1)]	2,905	2,434	471
Merger and acquisitions activities	2,515	–	2,515
Total	**5,420**	**2,434**	**2,986**

(1) Comprises operating expenses of the Group.

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 2022.

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 2022 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:

Chia Beng Kwan
Ian David Brown
Song Tang Yih
Gavin Mark McIntyre
Ch'ng Li-Ling (Appointed on 31 March 2023)

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.

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 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Shareholdings registered in the name of directors		**Shareholdings in which directors are deemed to have an interest**	
Name of director	**At beginning of year/date of appointment**	**At end of year**	**At beginning of year/date of appointment**	**At end of year**
The Company				
(Ordinary shares)				
Chen Johnson	2,748,300	2,748,300	–	–
Song Tang Yih	775,800	775,800	–	–

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures (Continued)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2023.

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.

On 18 August 2020, the Company granted share awards, comprising up to 7,703,500 ordinary shares, to Mr. Yee Pinh Jeremy, a former director, 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.

		Number of share awards			
Name of Participant	**Date of grant**	**Balance at date of grant**	**Vested since date of grant**	**Forfeited since date of grant**	**Balance at 31 December 2022**
Yee Pinh Jeremy	18.08.2020	2,435,000	(1,460,000)	(975,000)	–
Other employees	18.08.2020	5,268,500	(2,072,200)	(3,196,300)	–
Third party individuals	18.08.2020	2,723,500	(1,561,500)	(1,162,000)	–
		10,427,000	(5,093,700)	(5,333,300)	–

Save as disclosed above,

(a) there were no 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.

DIRECTORS' STATEMENT

6. Audit committee

The Audit Committee carried out its functions in accordance with section 201B(5) of the Singapore Companies Act 1967. Further details regarding the audit committee are disclosed in the Corporate Governance Report.

On behalf of the Board of Directors,

Gavin Mark McIntyre
Director

Song Tang Yih
Director

Singapore
10 April 2023

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Report on the audit of the financial statements

Disclaimer of Opinion

We were engaged to audit 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 2022, 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.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the 'Basis for Disclaimer of Opinion' section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis of disclaimer of opinion

Use of going concern assumption

The Group recorded a net loss of $9,374,000 and net operating cash outflow of $3,063,000 for the financial year ended 31 December 2022. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

As disclosed in Note 2.1 to the financial statements, management has prepared the Group's and Company's financial statements for the financial year ended 31 December 2022 on the basis that the Group and the Company will be able to carry on as a going concern for at least twelve months from the date of authorisation of the financial statements based on factors disclosed in that note. However, based on the information available to us and material uncertainties involved in the use of the going concern assumption, we were unable to obtain sufficient appropriate evidence regarding the appropriateness of the use of the going concern assumption.

In the event the going concern assumption is not appropriate, the financial effects of adjustments to the carrying amounts, and the current and non-current classification of the Group's and Company's assets and liabilities as at 31 December 2022 could be material and pervasive, and we were unable to determine the extent of the adjustments that may be required.

Impairment assessment of the Group's plant and equipment, right-of-use assets, intangible assets and goodwill, and the Company's investments in subsidiaries and other receivable due from a subsidiary

For the financial year ended 31 December 2022, management has assessed the recoverable amount and expected credit loss ("**ECL**") of assets relating to the Cancer and Laboratory Services business segments based on their fair value less costs of disposal estimated using valuation techniques. As disclosed in Notes 11 to 14, 17 and 22 to the financial statements, these assets include:

- the Group's plant and equipment, right-of-use assets, intangible assets, and goodwill (collectively, "**long-lived assets**") whose opening carrying amounts on 1 January 2022 were $803,000, $390,000, $3,495,000, and $626,000, respectively; and
- the Company's investment in and amount due from Biomedics Laboratory Pte Ltd ("**BML**") whose opening carrying amounts on 1 January 2022 were $3,569,000 and $1,773,000, respectively.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Pursuant to management's assessments, the Group recorded total impairment loss of $4,042,000 on the long-lived assets, and the Company recorded an impairment loss of $3,569,000 on the investment in BML and ECL allowance of $2,120,000 against the receivable from BML for the financial year ended 31 December 2022. The depreciation and amortization expenses relating to the mentioned Group's long-lived assets were $761,000, and $422,000, respectively for the financial year ended 31 December 2022.

We were unable to determine whether any adjustments might have been necessary in respect to the aforementioned impairment losses, ECL, depreciation and amortization expenses recorded by the Group and the Company, and the related disclosures, for the year ended 31 December 2022 since we were unable to obtain sufficient appropriate evidence on the appropriateness of the carrying and recoverable amount of the aforementioned assets as at 31 December 2021, and we issued a disclaimer of opinion on the financial statements for the financial year ended 31 December 2021. Since the aforementioned balances as at 31 December 2021 forms the opening carrying amounts of the assets as at 1 January 2022, they affect the determination of the impairment losses, ECL, and related depreciation and amortization expenses for the year ended 31 December 2022.

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 Companies Act 1967 and Singapore Financial Reporting Standards (International) ("**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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the 'Basis for Disclaimer of Opinion' section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Report on Other Legal and Regulatory Requirements

In view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore 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 Tan Soon Seng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

10 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Revenue	4	**2,489**	2,314
Other income	5	**305**	378
Changes in inventories		**(216)**	(35)
Raw materials and consumables used		**(1,110)**	(1,796)
Employee benefits expense	6	**(2,879)**	(1,646)
Depreciation expense	11, 22	**(761)**	(837)
Amortisation expense	12	**(422)**	(415)
Research and development expense	8	**(227)**	(1,091)
Other expenses		**(6,861)**	(2,704)
Finance costs	7	**(168)**	(208)
Loss before tax	8	**(9,850)**	(6,040)
Income tax credit	9	**476**	56
Loss for the year		**(9,374)**	(5,984)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Effect of translation of foreign operations		**(54)**	(62)
Other comprehensive income for the year, net of tax		**(54)**	(62)
Total comprehensive loss for the year		**(9,428)**	(6,046)
Loss per share (cents per share)			
– Basic	10	**(3.33)**	(2.26)
– Diluted	10	**(3.33)**	(2.26)

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

BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022	2021	2022	2021
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Plant and equipment	11	**61**	803	**1**	427
Right-of-use assets	22	**107**	390	**35**	169
Intangible assets	12	**–**	3,495	**–**	693
Goodwill	13	**–**	626	**–**	–
Investments in subsidiaries	14	**–**	–	**–**	4,968
		168	5,314	**36**	6,257
Current assets					
Cash and cash equivalents	15	**5,029**	3,960	**4,960**	2,433
Trade receivables	16	**515**	127	**48**	91
Prepayments		**182**	294	**168**	119
Other receivables	17	**167**	221	**567**	1,961
Inventories	18	**27**	1,508	**–**	1,374
		5,920	6,110	**5,743**	5,978
Total assets		**6,088**	11,424	**5,779**	12,235
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	19	**93**	85	**4**	22
Other payables	20	**1,211**	929	**1,125**	797
Contract liabilities	21	**200**	129	**200**	129
Lease liabilities	22	**210**	253	**117**	135
Borrowings	23	**1,050**	1,021	**1,050**	1,021
Deferred consideration	24	**3,244**	–	**3,244**	–
		6,008	2,417	**5,740**	2,104
Net current (liabilities)/assets		**(88)**	3,693	**3**	3,874
Non-current liabilities					
Lease liabilities	22	**60**	232	**60**	139
Borrowings	23	**1,693**	2,743	**1,693**	2,743
Provision for reinstatement cost		**15**	10	**5**	5
Deferred consideration	24	**–**	3,214	**–**	3,214
Deferred tax liabilities	25	**–**	476	**–**	–
		1,768	6,675	**1,758**	6,101
Total liabilities		**7,776**	9,092	**7,498**	8,205
Net (liabilities)/assets		**(1,688)**	2,332	**(1,719)**	4,030
Equity attributable to owners of the Company					
Share capital	26	**64,358**	58,883	**64,358**	58,883
Foreign currency translation reserve		**13**	67	**–**	–
Share-based payment reserve	27	**–**	67	**–**	67
Accumulated losses		**(66,059)**	(56,685)	**(66,077)**	(54,920)
Total equity		**(1,688)**	2,332	**(1,719)**	4,030
Total equity and liabilities		**6,088**	11,424	**5,779**	12,235

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 2022

2022 Group	**Share capital $'000**	**Foreign currency translation reserve $'000**	**Share-based payment reserve $'000**	**Accumulated losses $'000**	**Total $'000**
Balance as at 1 January 2022	**58,883**	**67**	**67**	**(56,685)**	**2,332**
Loss for the year	**–**	**–**	**–**	**(9,374)**	**(9,374)**
Other comprehensive loss:					
Effect of translation of foreign operations	**–**	**(54)**	**–**	**–**	**(54)**
Other comprehensive loss for the year, net of tax	**–**	**(54)**	**–**	**–**	**(54)**
Total comprehensive loss for the year	**–**	**(54)**	**–**	**(9,374)**	**(9,428)**
Transactions with owners, recognised directly in equity:					
Issuance of new shares, net of transaction costs	**5,475**	**–**	**–**	**–**	**5,475**
Employee share-based payment – equity settled	**–**	**–**	**(35)**	**–**	**(35)**
Professional fees – equity settled	**–**	**–**	**(32)**	**–**	**(32)**
Total transactions with owners, recognised directly in equity	**5,475**	**–**	**(67)**	**–**	**5,408**
Balance as at 31 December 2022	**64,358**	**13**	**–**	**(66,059)**	**(1,688)**

2021 Group	**Share capital $'000**	**Foreign currency translation reserve $'000**	**Share-based payment reserve $'000**	**Accumulated losses $'000**	**Total $'000**
Balance as at 1 January 2021	58,335	129	509	(50,701)	8,272
Loss for the year	–	–	–	(5,984)	(5,984)
Other comprehensive loss:					
Effect of translation of foreign operations	–	(62)	–	–	(62)
Other comprehensive loss for the year, net of tax	–	(62)	–	–	(62)
Total comprehensive loss for the year	–	(62)	–	(5,984)	(6,046)
Transactions with owners, recognised directly in equity:					
Employee share-based payment – equity settled	–	–	44	–	44
Professional fees – equity settled	–	–	62	–	62
Reclassification upon issuance of shares	548	–	(548)	–	–
Total transactions with owners, recognised directly in equity	548	–	(442)	–	106
Balance as at 31 December 2021	58,883	67	67	(56,685)	2,332

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 2022

Company	Share Capital $'000	Share-based payment reserve $'000	Accumulated losses $'000	Total $'000
2022				
Balance as at 1 January 2022	**58,883**	**67**	**(54,920)**	**4,030**
Loss for the year, representing total comprehensive loss for the year	**–**	**–**	**(11,157)**	**(11,157)**
Transactions with owners, recognised directly in equity:				
Issuance of new shares, net of transaction costs	**5,475**	**–**	**–**	**5,475**
Reversal of employee share-based payment reserve	**–**	**(35)**	**–**	**(35)**
Reversal of share-based payment reserve for professional fees	**–**	**(32)**	**–**	**(32)**
Total transactions with owners, recognised directly in equity	**5,475**	**(67)**	**–**	**5,408**
Balance as at 31 December 2022	**64,358**	**–**	**(66,077)**	**(1,719)**
2021				
Balance as at 1 January 2021	58,335	509	(50,056)	8,788
Loss for the year, representing total comprehensive loss for the year	–	–	(4,864)	(4,864)
Transactions with owners, recognised directly in equity:				
Employee share-based payment – equity settled	–	44	–	44
Professional fees – equity settled	–	62	–	62
Reclassification upon issuance of shares	548	(548)	–	–
Total transactions with owners, recognised directly in equity	548	(442)	–	106
Balance as at 31 December 2021	58,883	67	(54,920)	4,030

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 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Loss before tax		**(9,850)**	(6,040)
Adjustments for:			
Amortisation of intangible assets	12	**422**	415
Depreciation of plant and equipment	11	**443**	467
Depreciation of right-of-use assets	22	**318**	370
Loss on disposal of plant and equipment	11	**7**	–
Allowance for inventories	18	**1,298**	67
Allowance for doubtful debts		**81**	–
Impairment of intangible assets		**3,133**	–
Impairment of goodwill		**626**	–
Impairment of plant and equipment		**255**	–
Impairment of right-of-use assets		**28**	–
Inventories written off	18	**40**	359
Interest expense on lease liabilities	7	**16**	23
Interest expense on borrowings	7	**92**	119
Accretion of interest on deferred consideration	7	**60**	66
Interest income from fixed deposits	5	**–**	(2)
Provision for reinstatement costs		**(5)**	–
Reversal of share-based payment reserve		**(67)**	106
Gain from remeasurement of deferred consideration		**(30)**	(60)
Operating cash flows before changes in working capital		**(3,133)**	(4,110)
Changes in working capital:			
(Increase)/decrease in trade receivables		**(469)**	75
Decrease/(increase) in prepayments		**112**	(27)
Decrease/(increase) in other receivables		**54**	(24)
Decrease/(increase) in inventories (Note A)		**115**	(394)
Increase/(decrease) in trade payables		**8**	(59)
Increase in other payables		**287**	143
Increase/(decrease) in contract liabilities		**71**	(56)
Decrease in deferred grant income		**–**	(48)
Cash flows used in operations		**(2,955)**	(4,500)
Interest received		**–**	1
Interest paid		**(108)**	(142)
Net cash used in operating activities		**(3,063)**	(4,641)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Cash flows from investing activities			
Additions to plant and equipment (Note A)	11	**(33)**	(428)
Additions to intangible assets	12	**(60)**	(133)
Proceeds from disposal of plant and equipment		**–**	1
Partial payment of deferred consideration		**–**	(300)
Receipt of government grant for plant and equipment	11	**98**	–
Net cash generated from/(used in) investing activities		**5**	(860)
Cash flows from financing activities			
Proceeds from share issuance	26	**5,698**	–
Share issuance expenses	26	**(223)**	–
Repayment of borrowings		**(1,021)**	(869)
Payment of principal portion of lease liabilities		**(273)**	(277)
Net cash generated from/(used in) financing activities		**4.181**	(1,146)
Net increase/(decrease) in cash and cash equivalents		**1,123**	(6,647)
Effect of exchange rate changes on cash and cash equivalents		**(54)**	(62)
Cash and cash equivalents at 1 January		**3,960**	10,669
Cash and cash equivalents at 31 December		**5,029**	3,960

Note A:

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.

	2022 $'000	2021 $'000
Transfer of inventories to plant and equipment	**28**	70

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 2022

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 activities of the Company are those of technology development, technology transfer, marketing, sale and distribution of biomedical technology, life and medicine science related products and 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 2022 were authorised for issue by the Board of Directors on 10 April 2023.

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.

<u>Material Uncertainty Related to Going Concern</u>

The Group had recorded a net loss of approximately $9.37 million (2021: $5.98 million) and a net operating cash outflow of approximately $3.06 million (2021: $4.64 million) for the financial year ended 31 December 2022. As at 31 December 2022, the Group's current liabilities exceeded its current assets by approximately $0.09 million (2021: net current assets of $3.69 million) and the Group was in a net deficit equity position of approximately $1.69 million (2021: net assets of $2.33 million). As at 31 December 2022, the Company was in a net deficit equity position of approximately $1.72 million (2021: net assets of $4.03 million). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

To improve the financial health and working capital position of the Group, the Company has completed a renounceable non-underwritten rights issue of new ordinary shares in the issued share capital of the Company ("**Rights Shares**") in December 2022 ("**Rights Issue**") pursuant to which the Company has raised gross proceeds of approximately $5.70 million, before deduction of expenses of approximately $0.22 million that was capitalised against the share capital of the Company. As at 31 December 2022, the Group had cash of $5.03 million (2021: $3.96 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Material Uncertainty Related to Going Concern (Continued)

The financial statements of the Group and Company for the financial year ended 31 December 2022 have been prepared using the going concern assumption. To support the use of the going concern assumption and to ensure the adequacy of funds required to meet its obligations, working capital and capital commitment needs, the Group has prepared a consolidated cash flow forecast for a 16-month period from 1 January 2023 to 30 April 2024 ("**Cash Flow Forecast**"). In preparing the Cash Flow Forecast, management has taken the following into consideration:

- the challenges faced by the cancer business during the COVID-19 pandemic and the impact of the emergence of competing and newer technologies on the sales of COVID-19 related products in the infectious diseases business;
- the forecasted cash flow from the laboratory services business which is mainly dependent on the projected sales of its SARS-CoV-2 polymerase chain reaction ("**PCR**") test services for COVID-19 and new revenue stream from other testing services; and
- the cost cutting measures that the Group has put in place to manage costs.

After taking into consideration the Cash Flow Forecast, the board of directors of the Company (the "**Board**") is of the opinion that the Group and the Company will be able to operate as a going concern and that the use of the going concern assumption in the preparation of the financial statements of the Group for the financial year ended 31 December 2022 is appropriate.

Due to the rapidly evolving nature of the COVID-19 pandemic, the demand for COVID-19 PCR tests continues to be exposed to various uncertainties and challenges such as the emergence of competing and newer technologies, product regulatory changes, and changes in travel policies and restrictions. The Group is closely monitoring the developments of the situation and the impact on its COVID-19 PCR testing services.

The Group will also continue to explore merger and acquisition opportunities to improve its financial position and performance. To strengthen its financial position, in addition to the aforementioned Rights Issue completed in December 2022, the Group may explore opportunities to monetise its assets, as well as fundraising opportunities, including undertaking further equity issuances.

Subsequent to the year end, on 28 February 2023, the Company entered into a partial settlement deed with Clearbridge BSA Pte. Ltd. ("**CBSA**") in respect to the Deferred Consideration owing to CBSA (Note 24). Under the deed, part of the Deferred Consideration of $611,250 is to be settled by way of the Company issuing 37,500,000 new ordinary shares to CBSA (the "**Consideration Shares**"). Satisfying part of the Deferred Consideration using Consideration Shares instead of cash will improve the liquidity and working capital position of the Group and enable the Group to utilise its cash resources for its operations. The Group remains in discussions with CBSA to explore the settlement options for the remaining amount of the Deferred Consideration. The Group may propose further issuance of new ordinary shares to CBSA as settlement of such amount in full or in part.

If the going concern assumption is no longer appropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities, respectively. Such adjustments have not been made to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Standards issued but not yet effective

The Group has adopted the following SFRS (I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 116 *Leases*: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2022
Amendments to SFRS(I) 1-16 *Property, Plant and Equipment*: Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

The adoption of these new standards did not have any material effect on the financial performance or position of the Group.

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective as at 31 December 2022.

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1 *Presentation of Financial Statements* and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 *Investments in Associates and Joint Ventures*: 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 2022

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 2022

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(b) Other intangible assets (Continued)

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments (Continued)

(a) Financial assets (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 ("**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 ("**lifetime ECL**").

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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 an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised over the expected useful life of the relevant asset by equal annual instalments. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefits (Continued)

(a) Defined contribution plans (Continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases (Continued)

(a) Right-of-use assets (Continued)

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 year
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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(a) 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.

(b) Sale of COVID-19 products

Revenue generated from sale of COVID-19 products 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 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 (e) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (Continued)

(d) 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.

(e) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Taxes (Continued)

(b) Deferred tax (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Taxes (Continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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:

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.

For the purpose of impairment assessment at year end, management identified the Group's cancer business and laboratory services business as the two 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.

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) Expected credit losses

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

3.2 Key sources of estimation uncertainty (Continued)

(a) Expected credit losses (Continued)

Provision for expected credit losses of trade receivables (Continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs in relation to the Group's trade receivables is disclosed in Note 16.

The carrying amount of trade receivables, net and allowance for expected credit losses as at 31 December 2022 are $515,000 (31 December 2021: $127,000) and $81,000 (31 December 2021: $Nil) respectively.

Calculation of loss allowance for amount due from subsidiaries

The Company has carried out expected credit losses assessment for amount due from subsidiaries. Loss given default constitutes a key input in measuring ECL. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

The gross carrying amounts (before allowance for expected credit losses) of the Company's trade and other receivables due from subsidiaries as at 31 December 2022 are $209,000 and $2,549,000 (2021: $210,000 and $1,773,000), respectively, as disclosed in Note 16 and Note 17.

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

Plant and equipment, right-of-use assets and intangible assets, including goodwill on consolidation

Management has carried out a review and determined that there are indicators of impairment for the Group's plant and equipment, right-of-use assets and intangible assets, including goodwill on consolidation. These assets belong to the Group' Cancer and Laboratory Services CGUs that also form the respective operating segments (Note 31). Refer to Note 3.1 to the financial statements for information on the identification of the Group's CGUs.

The Group determines the recoverable amount of the assets of the Cancer and Laboratory Services CGUs based on the higher of value-in-use and fair value less cost of disposals. The recoverable amount of these assets as at 31 December 2022 have been determined based on their fair value less cost of disposal (2021: value-in-use).

The fair value less cost of disposal of the CGUs' assets as at 31 December 2022 have been estimated by management, with the assistance of external valuers and are categorised in Level 3 of the fair value hierarchy. The valuation techniques, key assumptions and inputs are provided in the table below and the sources of information include the financial forecasts prepared by management, historical information and external data. Significant judgement has been applied by management in determining the adjustment for economic obsolescence.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

3.2 Key sources of estimation uncertainty (Continued)

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

Plant and equipment, right-of-use assets and intangible assets, including goodwill on consolidation (Continued)

Assets	Valuation techniques	Key assumptions and inputs
Plant and equipment (Note 11)	Depreciated replacement cost method	Cost of recent purchases and rent, and adjustments for effects of inflation, the age of assets, functional and economic obsolescence
Right-of-use assets (Note 22)		
Intangible asset: Accreditation (Note 12)		Estimated costs and time required to attain accredited status specified by relevant professional body, and adjustment for economic obsolescence.
Intangible asset: Patent rights (Note 12)	Excess earnings method	Forecasted revenue and earnings for a ten-year period, and discount rate of 11.8%.

In the previous financial year ended 31 December 2021, the recoverable amount of the assets of the Cancer and Laboratory Services CGUs was determined based on their value-in-use estimated using discounted cash flow model covering a five-year period. The discounted cash flow model is sensitive to estimated revenue growth rate, estimated gross profit margin and profitability of respective CGUs, and the discount rate applied.

The carrying amounts of plant and equipment, right-of-use assets, intangible assets, and goodwill on consolidation at the end of the reporting period, and the amount of impairment loss recorded in the financial year ended 31 December 2022 are disclosed in Notes 11, 22, 12, and 13 respectively.

(c) Impairment assessment of investments in subsidiaries

Management has carried out a review and determined that there are indicators of impairment of the Company's investments in subsidiaries. The recoverable amount of the investments as at 31 December 2022 has been estimated based on fair value less cost of disposal (2021: value-in-use) of the relevant CGU's assets as disclosed in Note 3.2(b) above with adjustments to arrive at equity value of the investments.

The carrying amount of the Company's investments in subsidiaries and the amount of impairment loss recorded in the financial year ended 31 December 2022 is disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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	
	2022	**2021**
	$'000	**$'000**
Rendering of laboratory services	**1,937**	164
Sale of COVID-19 products	**344**	1,813
Sale of devices and consumables	**183**	301
Sale of extended warranty services	**25**	36
	2,489	2,314
Timing of transfer of goods or services		
At point in time	**2,464**	2,278
Over time	**25**	36
	2,489	2,314

(b) Contract liabilities

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

	Group	
	2022	**2021**
	$'000	**$'000**
Contract liabilities	**200**	129

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 $200,000 (2021: $129,000) as revenue relating to the transaction price allocated to the unsatisfied performance obligations as at year-end in the financial year 2023 (2021: 2022).

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 2022

5. OTHER INCOME

	Group	
	2022	**2021**
	$'000	**$'000**
Government grants	**172**	194
Interest income from fixed deposits	**–**	2
Foreign exchange gain, net	**91**	81
Gain from remeasurement of deferred consideration	**30**	60
Reversal of accrual for unconsumed leave	**9**	18
Others	**3**	23
	305	378

Included in government grant income is an amount of $125,000 (2021: $132,000) and $Nil (2021: $47,000) recognised during the financial year under the Jobs Growth Incentive ("**JGI**") and Jobs Support Scheme ("**JSS**") respectively. The JSS and JGI are temporary schemes introduced by the Singapore government to help enterprises retain local employees. Under the JSS and JGI, employers received cash grants in relation to the gross monthly wages of eligible employees.

6. EMPLOYEE BENEFITS EXPENSE

	Group	
	2022	**2021**
	$'000	**$'000**
Directors' remuneration	**227**	260
Salaries and bonuses	**1,923**	1,184
Employer's contribution to defined contribution plans	**244**	158
Allowance for performance awards	**520**	–
Share-based payment – equity settled		
– Director	**–**	25
– Employees	**(35)**	19
	2,879	1,646

Performance Share Plan

The Performance Share Plan was approved by the shareholders of the Company on 20 November 2018.

On 18 August 2020, the Company granted share awards (the "**Awards**"), comprising up to 7,703,500 ordinary 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.

1,135,000 shares were allotted and issued on 30 April 2021, pursuant to the vesting of the Awards.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 ended 31 December 2021 (iii) Tranche 3: Financial year ended 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

Summarised information regarding the share-based payment activity and amounts for the director and employees of the Company for the year ended 31 December 2022 is as follows:

2022					
As at beginning of financial year Number of share awards	**Granted during financial year Number of share awards**	**Vested during financial year Number of share awards**	**Forfeited/ lapsed during financial year Number of share awards**	**As at end of financial year Number of share awards**	**Fair value per share on grant date $**
1,135,000	**–**	**–**	**1,135,000**	**–**	**–**

2021					
As at beginning of financial year Number of share awards	**Granted during financial year Number of share awards**	**Vested during financial year Number of share awards**	**Forfeited/ lapsed during financial year Number of share awards**	**As at end of financial year Number of share awards**	**Fair value per share on grant date $**
5,182,500	–	1,011,200	3,036,300	1,135,000	0.39

As at 31 December 2022, the Group assessed that the performance conditions for Tranche 3 have not been met. These Awards are considered lapsed. The corresponding share-based payment reserve of $35,000 has been reversed out accordingly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. FINANCE COSTS

	Group	
	2022	**2021**
	$'000	**$'000**
Interest expense on borrowings	**92**	119
Interest expense on lease liabilities	**16**	23
Accretion of interest on deferred consideration	**60**	66
	168	208

8. LOSS BEFORE TAX

The following items have been charged/(credited) in arriving at loss before tax:

	Group	
	2022	**2021**
	$'000	**$'000**
Audit fees		
– paid to auditors of the Group	**120**	120
– paid to other auditors	**2**	–
Amortisation of intangible assets	**422**	415
Depreciation of plant and equipment	**443**	467
Depreciation of right-of-use assets	**318**	370
Impairment of intangibles	**3,133**	–
Impairment of goodwill	**626**	–
Impairment of plant and equipment	**255**	–
Impairment of right-of-use assets	**28**	–
Loss on disposal of plant and equipment	**7**	–
Inventories written off	**40**	359
Allowance for inventories	**1,298**	67
Allowance for doubtful debts	**81**	–
Rental expenses	**15**	19
Travelling expenses	**40**	51
Professional fees (cash-settled)	**602**	1,403
Professional fees (equity-settled)	**(32)**	62
Sales and marketing expenses	**51**	65
Foreign exchange gain, net	**(91)**	(81)
Repairs and maintenance	**62**	110

<u>Research and development expense</u>

Research and development expense is 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 2022 and 2021 are:

	Group	
	2022	**2021**
	$'000	**$'000**
Current income tax	**–**	–
Deferred income tax		
– Origination and reversal of temporary differences (Note 25)	**(476)**	(56)
Income tax credit recognised in profit or loss	**(476)**	(56)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. INCOME TAX CREDIT (CONTINUED)

A reconciliation between tax credit and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 is as follows:

	Group	
	2022	2021
	$'000	$'000
Loss before tax	**(9,850)**	(6,040)
Tax at the domestic rates applicable to profits in the countries where the Group operates	**(1,595)**	(1,115)
Non-deductible expenses	**437**	102
Income not subject to taxation	**(71)**	(8)
Deferred tax assets not recognised	**753**	965
	(476)	(56)

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	
	2022	2021
	$'000	$'000
Loss for the year, net of tax, attributable to owners of the Company used in the computations of basic and diluted loss per share	**(9,374)**	(5,984)
Weighted average number of shares for basic loss per share computation[1]	**281,687**	264,992
Effects of dilution:		
– Share awards pursuant to Biolidics Performance Share Plan	**–**	112
– Share awards granted as consideration in lieu of fees for the services rendered by third party individuals	**–**	103
Weighted average number of shares for diluted loss per share computation	**281,687**	265,207
Basic loss per share (cents)	**(3.33)**	(2.26)
Diluted loss per share (cents)	**(3.33)**	(2.26)

(1) No share awards granted to employees under the Biolidics Performance Share Plan and no 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 2022

11. PLANT AND EQUIPMENT

Group	Computer and office equipment $'000	Laboratory equipment $'000	Testing and trial equipment $'000	Production, tooling and mould equipment $'000	Renovation and furniture and fittings $'000	Total $'000
Cost:						
At 1 January 2021	237	720	1,020	841	374	3,192
Additions	73	141	–	2	212	428
Transfer from inventories	–	–	70	–	–	70
Disposals	–	(7)	(47)	–	–	(54)
At 31 December 2021 and 1 January 2022	310	854	1,043	843	586	3,636
Additions	18	13	–	–	2	33
Transfer from inventories	–	–	28	–	–	28
Disposals	–	–	(45)	–	–	(45)
Government grants	–	(98)	–	–	–	(98)
At 31 December 2022	**328**	**769**	**1,026**	**843**	**588**	**3,554**
Accumulated depreciation and impairment:						
At 1 January 2021	91	455	888	740	246	2,420
Charge for the year						
– Depreciation	67	159	88	49	104	467
– Disposals	–	(6)	(48)	–	–	(54)
At 31 December 2021 and 1 January 2022	158	608	928	789	350	2,833
Charge for the year						
– Depreciation	80	117	67	49	130	443
– Impairment	70	35	69	5	76	255
– Disposals	–	–	(38)	–	–	(38)
At 31 December 2022	**308**	**760**	**1,026**	**843**	**556**	**3,493**
Carrying amount:						
At 31 December 2021	152	246	115	54	236	803
At 31 December 2022	**20**	**9**	**–**	**–**	**32**	**61**

11. PLANT AND EQUIPMENT (CONTINUED)

Company	Computer and office equipment $'000	Laboratory equipment $'000	Testing and trial equipment $'000	Production, tooling and mould equipment $'000	Renovation and furniture and fittings $'000	Total $'000
Cost:						
At 1 January 2021	231	710	1,020	841	272	3,074
Additions	28	1	–	2	–	31
Transfer from inventories	–	–	70	–	–	70
Disposals	–	(7)	(47)	–	–	(54)
At 31 December 2021 and 1 January 2022	259	704	1,043	843	272	3,121
Additions	11	–	–	–	–	11
Transfer from inventories	–	–	28	–	–	28
Disposals	–	–	(45)	–	–	(45)
At 31 December 2022	**270**	**704**	**1,026**	**843**	**272**	**3,115**
Accumulated depreciation and impairment:						
At 1 January 2021	87	449	888	740	191	2,355
Charge for the year						
– Depreciation	60	153	88	49	43	393
– Disposals	–	(6)	(48)	–	–	(54)
At 31 December 2021 and 1 January 2022	147	596	928	789	234	2,694
Charge for the year						
– Depreciation	64	98	67	49	35	313
– Impairment	58	10	69	5	3	145
– Disposals	–	–	(38)	–	–	(38)
At 31 December 2022	**269**	**704**	**1,026**	**843**	**272**	**3,114**
Carrying amount:						
At 31 December 2021	112	108	115	54	38	427
At 31 December 2022	**1**	**–**	**–**	**–**	**–**	**1**

Impairment assessment of plant and equipment

The Group has carried out impairment assessment for plant and equipment, and right-of-use assets (Note 22) by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 3.2 to the financial statements. Based on the impairment assessment, an impairment loss of $255,000 (2021: $Nil) has been recorded for plant and equipment in the financial year ended 31 December 2022. This is made up of impairment loss of $145,000 (2021: $Nil) and $110,000 (2021: $Nil) relating to the Group's Cancer CGU and Laboratory Services CGU, respectively. The impairment loss recorded for the Laboratory Services CGU's right-of-use assets amount to $28,000 (2021: $Nil) in the financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. INTANGIBLE ASSETS

Group	Accreditation $'000	Patent rights $'000	Trademark $'000	Total $'000
Cost:				
At 1 January 2021	3,329	740	72	4,141
Additions	–	118	15	133
At 31 December 2021 and 1 January 2022	3,329	858	87	4,274
Additions	–	55	5	60
At 31 December 2022	**3,329**	**913**	**92**	**4,334**
Accumulated amortisation:				
At 1 January 2021	194	133	37	364
Charge for the year	333	74	8	415
At 31 December 2021 and 1 January 2022	527	207	45	779
Charge for the year				
– Amortisation	333	80	9	422
– Impairment	2,469	626	38	3,133
At 31 December 2022	**3,329**	**913**	**92**	**4,334**
Carrying amount:				
At 31 December 2021	2,802	651	42	3,495
At 31 December 2022	**–**	**–**	**–**	**–**

Company	Patent rights $'000	Trademark $'000	Total $'000
Cost:			
At 1 January 2021	740	72	812
Additions	118	15	133
At 31 December 2021 and 1 January 2022	858	87	945
Additions	55	5	60
At 31 December 2022	**913**	**92**	**1,005**
Accumulated amortisation:			
At 1 January 2021	133	37	170
Charge for the year	74	8	82
At 31 December 2021 and 1 January 2022	207	45	252
Charge for the year			
– Amortisation	80	9	89
– Impairment	626	38	664
At 31 December 2022	**913**	**92**	**1,005**
Carrying amount:			
At 31 December 2021	651	42	693
At 31 December 2022	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. INTANGIBLE ASSETS (CONTINUED)

Accreditation, patent and trademark

Accreditation relates to College of American Pathologists accredited clinical laboratory and has an average remaining amortisation period of 8 years as at 31 December 2021.

Patent rights and trademark relate to ClearCell® FX1 System and CTChip® FR1 biochip and have an average remaining amortisation period of 6 years as at 31 December 2021.

Impairment assessment of intangible assets

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. Based on the impairment assessment, the Group has recorded $3,133,000 (2021: $Nil) of impairment in the financial year ended 31 December 2022. This is made up of impairment loss of $664,000 (2021: $Nil) and $2,469,000 (2021: $Nil) relating to the Group's Cancer CGU and Laboratory Services CGU, respectively.

13. GOODWILL

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

	2022 $'000	**2021 $'000**
Carrying amount:		
At 1 January	**626**	626
Impairment of goodwill	**(626)**	–
At 31 December	**–**	626

Impairment assessment of goodwill

Goodwill acquired through business combination is allocated to the Laboratory Services CGU, which is also one of the reportable segments, for impairment testing as follows:

	2022 $'000	**2021 $'000**
Laboratory services	**626**	626

For the financial year ended 31 December 2022, the recoverable amount of the CGU has been estimated based on the fair value less cost of disposal of the CGU's assets as disclosed in Note 3.2. Based on the results of the impairment assessment, The Group has made full impairment (2021: $Nil) on goodwill in the financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. GOODWILL (CONTINUED)

Impairment assessment of goodwill (Continued)

In the previous financial year ended 31 December 2021, the recoverable amount of the CGU, which goodwill has been allocated to, was determined based on the CGU's value-in-use. The value-in-use was estimated based on discounted cash flow model covering a five year period as disclosed in Note 3.2. The forecasted revenues, which formed part of the key assumptions of value-in-use were based on historical trends and adjusted for market conditions present as at 31 December 2021.

The post-tax discount rate applied to the cash flow projection and the forecasted terminal growth rate used to extrapolate cash flow projection beyond the five-year period were 15% and 1%, respectively.

14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	**2021**
	$'000	**$'000**
Unquoted equity shares, at cost	**–**	4,968

The Company injected additional capital of $107,000 (2021: $136,000) into Biolidics (Shanghai) Co., Ltd during the year. In addition, during the year, Biolidics Pty Ltd completed a capital reduction exercise reducing its capital by approximately $1,358,000.

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 2022 %	Proportion of ownership interest 2021 %
Biomedics Laboratory Pte. Ltd.(1)	Singapore	Provision of laboratory services	**100**	100
Biolidics (Shanghai) Co., Ltd. (明测生物医药(上海)有限公司)(2)	People's Republic of China	Technology development, technology transfer, marketing and sale of biomedical technology related products and services	**100**	100
Biolidics Pty Ltd(2)	Australia	Technology development, technology transfer, marketing and sale of biomedical technology related products and services	**100**	100
Clearcell Pte. Ltd.(3)	Singapore	Dormant	**100**	–

(1) Audited by Ernst & Young LLP, Singapore
(2) Not required to be audited under the law in the country of incorporation
(3) Audited by Paul Wan & Co, Singapore

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Impairment assessment of investments in subsidiaries

The Company has carried out impairment assessments for investments in subsidiaries as disclosed in Note 3.2. As a result, the Company recognised an impairment loss of $3,717,000 (2021: $213,000) to fully impair the Company's costs of investments in the financial year ended 31 December 2022. The impairment amount includes $3,569,000 of impairment for cost of investment in Biomedics Laboratory Pte. Ltd. and another $148,000 of impairment for cost of investment in loss-making subsidiaries.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks	**5,029**	2,579	**4,960**	2,432
Cash on hand	**–**	1	**–**	1
Short-term deposits	**–**	1,380	**–**	–
	5,029	3,960	**4,960**	2,433

Short-term deposits earn interest at the respective short-term deposit rates. The weighted average effective interest rate for short-term deposits is Nil% (2021: 0.06%) per annum.

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollar	**2**	1,278	**2**	1,278
Euro	**24**	67	**24**	67
Pound Sterling	**55**	55	**55**	55
Australian Dollar	**22**	–	**–**	–
Chinese Yuan	**6**	–	**–**	–

16. TRADE RECEIVABLES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables:				
– third parties	**596**	127	**97**	91
– subsidiary	**–**	–	**209**	210
	596	127	**306**	301
Allowance for expected credit losses	**(81)**	–	**(258)**	(210)
	515	127	**48**	91

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. TRADE RECEIVABLES (CONTINUED)

Trade receivables – third parties

Trade receivables due from third parties are non-interest bearing and are generally on 30 days' (2021: 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. Full allowance of expected credit losses has been recorded for trade receivable from the subsidiary as the recovery is uncertain.

*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% (2021: 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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
United States Dollar	–	33	–	192
Euro	4	23	4	23

Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to $189,000 as at 31 December 2022 (2021: $55,000) 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	
	2022 $'000	2021 $'000
Trade receivables past due but not impaired:		
– lesser than 30 days	122	6
– 30 to 60 days	62	19
– 61 to 90 days	1	7
– 91 to 120 days	4	2
– more than 120 days	–	21
	189	55

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. TRADE RECEIVABLES (CONTINUED)

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

	Group	
	2022	**2021**
	$'000	**$'000**
Movement in allowance accounts:		
At 1 January	**–**	–
Charge for the year	**(81)**	–
At 31 December	**(81)**	–

	Company	
	2022	**2021**
	$'000	**$'000**
Movement in allowance accounts:		
At 1 January	**(210)**	–
Charge for the year	**(48)**	(210)
At 31 December	**(258)**	(210)

In addition to the allowance for ECL, the Group recorded $Nil of trade receivables written off in the financial year ended 31 December 2022 and 31 December 2021. As at 31 December 2022, the Company recorded allowance for ECL of $209,000 (2021: $210,000) of trade receivables from a subsidiary due to uncertainty of recoverability.

17. OTHER RECEIVABLES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Refundable deposits	**42**	35	**22**	22
Goods and Services Tax receivable	**36**	39	**36**	21
Grant receivable	**–**	61	**–**	61
Other receivables:				
– third parties	**89**	86	**89**	84
– subsidiary	**–**	–	**420**	1,773
	167	221	**567**	1,961
Add: Cash and cash equivalents	**5,029**	3,960	**4,960**	2,433
Add: Trade receivables	**515**	127	**48**	91
Less: Goods and Services Tax receivable	**(36)**	(39)	**(36)**	(21)
Less: Grant receivable	**–**	(61)	**–**	(61)
Total financial assets carried at amortised cost	**5,675**	4,208	**5,539**	4,403

NOTES TO THE FINANCIAL STATEMENTS

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17. OTHER RECEIVABLES (CONTINUED)

Deposits

Deposits relate to deposits paid for utilities, office lease and warehouse.

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 Company's non-trade amount due from a subsidiary is unsecured, non-interest bearing and repayable on demand. The amount is expected to be settled in cash.

Expected credit losses assessment

As at year-end, the Company recorded $2,549,000 (2021: $1,773,000) of gross other receivable from subsidiaries, that includes $2,540,000 (2021: $1,773,000) of gross other receivable from Biomedics Laboratory Pte. Ltd.. As at the year-end, the Company recorded $2,129,000 (2021: Nil) of allowance for expected credit losses on other receivable from subsidiaries. The allowance amount includes $2,120,000 of allowance for receivable from Biomedics Laboratory Pte. Ltd..

18. INVENTORIES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Balance sheet:				
Finished goods	**27**	1,214	**–**	1,080
Spare parts	**–**	294	**–**	294
	27	1,508	**–**	1,374
Income statement:				
Inventories recognised as an expense in raw materials and consumables used	**1,326**	1,831	**437**	1,758
Inclusive of the following charge:				
– Allowance for inventories	**–**	67	**–**	67
Inventories recognised as an expense in other expenses				
– Allowance for inventories	**1,298**	–	**1,226**	–
– Inventories written off	**40**	359	**14**	349

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19. TRADE PAYABLES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables:				
– third parties	**93**	76	**4**	12
– related party[(1)]	**–**	9	**–**	10
	93	85	**4**	22

(1) Related party refers to a company in which a director has a controlling interest.

Trade payables – third parties

These amounts are non-interest bearing and are normally settled on 30 days' (2021: 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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollar	**–**	2	**–**	3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

20. OTHER PAYABLES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Accruals	**789**	522	**759**	411
Advances from third parties	**26**	26	**26**	26
Amounts due to related parties[1]	**7**	27	**7**	19
Provision for warranty services	**8**	3	**8**	3
Goods and Services Tax payable	**33**	–	**–**	–
Others	**348**	351	**325**	338
	1,211	929	**1,125**	797
Add: Trade payables	**93**	85	**4**	22
Add: Lease liabilities	**270**	485	**177**	274
Add: Borrowings	**2,743**	3,764	**2,743**	3,764
Add: Deferred consideration	**3,244**	3,214	**3,244**	3,214
Less: Provision for warranty services	**(8)**	(3)	**(8)**	(3)
Less: Advances from third parties	**(26)**	(26)	**(26)**	(26)
Less: Goods and Services Tax payable	**(33)**	–	**–**	–
Total financial liabilities carried at amortised cost	**7,494**	8,448	**7,259**	8,042

(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	
	2022	**2021**
	$'000	**$'000**
Sale of extended warranty services[1]	**12**	–
Amount received in advance of delivery of goods[2]	**182**	129
Sale of preventive maintenance services[3]	**6**	–
	200	129

(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) When the Group receives the transaction price from 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.

21. CONTRACT LIABILITIES (CONTINUED)

	Group and Company	
	2022	2021
	$'000	$'000
Analysed as:		
Current[(1)]	**200**	129
Non-current	**–**	–
	200	129

(1) Included in the current portion is the full amount of $182,000 (2021: $129,000) for amount received 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 $18,000 (2021: $Nil) relates to warranty and preventive maintenance services for periods due within 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	
	2022	2021
	$'000	$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
– Sale of extended warranty services	**–**	36
– Amount received in advance of delivery of goods	**14**	57
– Sale of preventive maintenance services	**–**	1
	14	94

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 and warehouse premises and laboratory space generally have lease terms between 2 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.

There were additions to right-of-use assets of $63,000 (2021: $125,000) during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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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, warehouse premises and laboratory space $'000	Office and laboratory equipment $'000	Total $'000
At 1 January 2021	184	451	635
Additions	105	20	125
Depreciation expense	(129)	(241)	(370)
At 31 December 2021 and 1 January 2022	160	230	390
Additions	63	–	63
Depreciation expense	(133)	(185)	(318)
Impairment	–	(28)	(28)
At 31 December 2022	**90**	**17**	**107**

The carrying amounts of lease liabilities and the movements during the year are set out below:

Group	2022 $'000	2021 $'000
At 1 January	**485**	642
Additions	**57**	125
Accretion of interest	**16**	23
Payments	**(288)**	(299)
Accrued lease payments	**–**	(6)
At 31 December	**270**	485
Analysed as:		
Current	**210**	253
Non-current	**60**	232
	270	485

A maturity analysis of lease liabilities is as follows:

Group	Interest rate %	Maturity	2022 $'000	2021 $'000
Current portion of lease liabilities	2.08 – 5.25	2023 (2021: 2022)	**210**	253
Non-current portion of lease liabilities	2.08 – 5.25	2024 (2021: 2022 – 2024)	**60**	232
			270	485

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22. LEASES (CONTINUED)

Group as a lessee (Continued)

The following are the amounts recognised in profit or loss:

	Group	
	2022	**2021**
	$'000	**$'000**
Depreciation of right-of-use assets	**318**	370
Interest expense on lease liabilities	**16**	23
Expense relating to short-term leases (included in other expenses)	**15**	19
Total amount recognised in profit or loss	**349**	412

The Group had total cash outflows for leases of $304,000 in 2022 (2021: $319,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $57,000 in 2022 (2021: $125,000). The future cash outflows relating to leases that had not yet commenced are disclosed in Note 29 to the financial statements.

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. Based on the impairment assessment, the Group recorded $28,000 (2021: $Nil) of impairment.

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 2 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 $'000**	**Office and laboratory equipment $'000**	**Total $'000**
At 1 January 2021	132	268	400
Depreciation expense	(76)	(155)	(231)
At 31 December 2021 and 1 January 2022	56	113	169
Additions	58	–	58
Depreciation expense	(79)	(113)	(192)
At 31 December 2022	**35**	**–**	**35**

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22. LEASES (CONTINUED)

The carrying amounts of lease liabilities and the movements during the year are set out below:

Company	2022 $'000	2021 $'000
At 1 January	**274**	424
Additions	**57**	–
Accretion of interest	**10**	15
Payments	**(164)**	(165)
At 31 December	**177**	274
Analysed as:		
Current	**117**	135
Non-current	**60**	139
	177	274

A maturity analysis of lease liabilities is as follows:

Company	Interest rate %	Maturity	2022 $'000	2021 $'000
Current portion of lease liabilities	2.08 – 5.25	2023 (2021: 2022)	**117**	135
Non-current portion of lease liabilities	2.08 – 5.25	2024 (2021: 2022 – 2024)	**60**	139
			177	274

23. BORROWINGS

The carrying amounts of borrowings and the movements during the year are set out below:

Group and Company	2022 $'000	2021 $'000
At 1 January	**3,764**	4,633
Accretion of interest	**92**	119
Payments	**(1,113)**	(988)
At 31 December	**2,743**	3,764
Analysed as:		
Current	**1,050**	1,021
Non-current	**1,693**	2,743
	2,743	3,764

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23. BORROWINGS (CONTINUED)

A maturity analysis of borrowings is as follows:

Group and Company	Effective interest rate	Maturity	2022 $'000	2021 $'000
Current portion of bank loans	2.50 – 3.00	2023	**1,050**	1,021
Non-current portion of bank loans	2.50 – 3.00	2024 – 2025	**1,693**	2,743
			2,743	3,764

24. DEFERRED CONSIDERATION

On 26 May 2020, the Group completed the acquisition of the entire issued and paid-up share capital of Biomedics Laboratory Pte. Ltd. ("**BML**") ("**Acquisition**") from 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 had the option to satisfy the deferred consideration at any time within 24 months from acquisition date. The Group granted a charge in respect of all the shares of BML as security for the payment of the consideration. Following the completion of acquisition, BML became a subsidiary of the Group.

On 24 December 2021, the Group and the seller of BML, SAM Laboratory Pte Ltd ("**SAM**"), entered into a deed of amendment ("**Deed of Amendment**") to modify, amend and vary the terms of the sale and purchase agreement entered into between the Company and SAM in connection with the acquisition of Biomedics Lab.

Pursuant to the Deed of Amendment, the Company made a payment of $300,000 of the deferred consideration to SAM upon the execution of the Deed of Amendment; and Remaining Deferred Consideration of $3,300,000 shall be payable no later than 25 May 2023, being 36 months from the date of completion of the Acquisition.

On 24 June 2022, the Company and SAM entered into a deed of amendment ("**Second Amendment Deed**") to modify, amend and vary the terms of the sales and purchase agreement entered into between the Company and SAM in connection with the Acquisition.

Pursuant to the Second Amendment Deed, the Remaining Deferred Consideration of $3,300,000 shall be payable no later than 25 August 2023, being 39 months from the date of completion of the Acquisition.

On 23 September 2022, the Company and SAM entered into a deed of amendment ("**Third Amendment Deed**") to modify, amend and vary the terms of the sales and purchase agreement entered into between the Company and SAM in connection with the Acquisition.

Pursuant to the Third Amendment Deed, the Remaining Deferred Consideration of $3,300,000 shall be payable no later than 25 November 2023, being 42 months from the date of completion of the Acquisition.

On 28 September 2022, the Company, SAM and Clearbridge BSA Pte. Ltd. ("**CBSA**") entered into a deed of assignment ("**Assignment Deed**") pursuant to which SAM assigns absolutely and without recourse to CBSA, inter alia, the right to receive the Remaining Deferred Consideration, with the acknowledgement and consent of the Company.

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24. DEFERRED CONSIDERATION (CONTINUED)

The movement of the Remaining Deferred Consideration during the year is as follows:

	Group and Company $'000
Balance as at 1 January 2022	3,214
Gain from remeasurement	(30)
Accretion of interest	60
Balance as at 31 December 2022	**3,244**

On 28 February 2023, the Company entered into a partial settlement deed with CBSA. Pursuant to the partial settlement deed, the Company and CBSA agreed, *inter alia*:

(a) to settle $1,161,250 of the deferred consideration, of which $550,000 will be settled by way of cash, while the remaining $611,250 will be satisfied by way of issuance of new ordinary shares of the Company;

(b) that the Company shall pay to CBSA the Cash Settlement Sum within two (2) weeks from the date of execution of the Partial Settlement Deed;

(c) that CBSA agrees to receive, and the Company agrees to issue, 37,500,000 Consideration Shares at an issue price of S$0.0163 for each Consideration Share, which was based on the volume weighted average price of the issued ordinary shares of the Company traded on the SGX-ST on 28 February 2023 of S$0.0163 per Share;

(d) that the issuance of the Consideration Shares will be subject to the receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for the Consideration Shares on the Catalist Board of the SGX-ST ("**LQN**"). In the event that the LQN is not granted by the SGX-ST, the Parties agree without reservation that CBSA shall be entitled to:

    i. retain the full sum of the Cash Settlement Sum free and clear of all claims and conditions and other encumbrances whatsoever; and

    ii. receive the balance amount of the Deferred Consideration less the Cash Settlement Sum, being S$2,750,000, by no later than 25 November 2023, by way of bank transfer of immediately available funds to an account designated by CBSA, and

(e) that the Share Charge shall continue to be in effect and all the Charged Shares shall remain charged in favour of CBSA in accordance with the terms and conditions of the Share Charge until the balance amount of the Deferred Consideration has been paid in full, whether 42 months from the Completion Date or otherwise.

Following the completion of the payment of the Partial Settlement Sum by way of the Cash Settlement Sum and the issuance of the Consideration Shares to CBSA, the balance sum of the Deferred Consideration, being S$2,138,750, shall be payable by the Company to CBSA no later than 25 November 2023 by way of bank transfer of immediately available funds to an account designated by CBSA.

On 20 March 2023, the Company completed the allotment and issuance of 37,500,000 consideration shares mentioned in Note (c) above. The total number of shares has increased to 559,126,605 Shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

25. DEFERRED TAX LIABILITIES

Deferred tax liabilities of the Group arose from fair value adjustment on acquisition of subsidiary:

	Group	
	2022	**2021**
	$'000	**$'000**
Balance as at 1 January	**476**	533
Reversed to profit or loss (Note 9)	**(476)**	(57)
Balance as at 31 December	**–**	476

As at 31 December 2022, the Group has unutilised tax losses and unabsorbed capital allowances amounting to approximately $50,389,000 (2021: $48,363,000) and $727,000 (2021: $1,075,000) 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:

	2022	**2021**
	$'000	**$'000**
Expiring in:		
Year 2024	**5**	5
Year 2025	**74**	74
Year 2026	**237**	237
Year 2027	**160**	–

26. SHARE CAPITAL

	Group and Company			
	2022		**2021**	
	No. of shares	**$'000**	**No. of shares**	**$'000**
Issued and fully paid ordinary shares:				
At the beginning of the year	265,451,700	58,883	264,047,000	58,335
Share issuance during the year	227,916,205	5,698	1,404,700	548
Share issuance expense	–	(223)	–	–
At the end of the year	493,367,905	64,358	265,451,700	58,883

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.

The Company had, on 2 December 2022, announced that an aggregate of 227,916,205 Rights Shares were allotted and issued by the Company on 2 December 2022 pursuant to the Rights Issue. Following the allotment and issuance of the Rights Shares, the number of issued and paid-up shares in the issued share capital of the Company ("**Shares**") increased from 265,451,700 Shares to 493,367,905 Shares.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. SHARE CAPITAL (CONTINUED)

On 1 March 2023, the Company issued and allotted 28,258,700 shares to a director and certain employees to reward their performance for the financial year ended 31 December 2022. Total number of shares in the Company increased from 493,367,905 Shares to 521,626,605 Shares.

On 20 March 2023, the Company completed the allotment and issuance of 37,500,000 consideration shares mentioned in Note 24. The total number of shares has increased to 559,126,605 Shares.

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.

393,500 shares were allotted and issued on 30 April 2021 to certain third-party individuals contracted to provide services to the Group in relation to scientific, technological, market development, corporate advisory and human resource management matters, pursuant to the vesting of the share awards.

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 ended 31 December 2021 (iii) Tranche 3A: Financial year ended 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

NOTES TO THE FINANCIAL STATEMENTS

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27. SHARE-BASED PAYMENT RESERVE (CONTINUED)

Summarised information regarding the share-based payment activity and amounts for the third party individuals for the year ended 31 December 2022 is as follows:

2022					
As at beginning of financial year Number of share awards	**Granted during financial year Number of share awards**	**Vested during financial year Number of share awards**	**Lapsed/ forfeited during financial year Number of share awards**	**As at end of financial year Number of share awards**	**Grant date fair value for outstanding units $**
1,037,000	**–**	**–**	**1,037,000**	**–**	**–**

2021					
As at beginning of financial year Number of share awards	**Granted during financial year Number of share awards**	**Vested during financial year Number of share awards**	**Lapsed/ forfeited during financial year Number of share awards**	**As at end of financial year Number of share awards**	**Grant date fair value for outstanding units $**
1,555,500	–	393,500	125,000	1,037,000	0.39

As at 31 December 2022, the Group assessed that the performance conditions of Tranche 3A have not been met. The Tranche 3A performance awards are considered lapse. The corresponding share-based payment reserve of $32,000 has been reversed out accordingly.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Subsidiaries of a shareholder of the Company				
Rental expenses	**(14)**	(54)	**–**	–
Receipt of management and support services	**(45)**	(45)	**–**	–
Rendering of laboratory services	**16**	24	**–**	–
Recharge of expenses to the Group and Company	**(10)**	(26)	**–**	(5)
Recharge of expenses from the Group and Company	**1**	–	**–**	–
Company related to a director of the Company				
Purchases of inventories	**(11)**	(15)	**(11)**	(15)
Purchase of packaging and labelling service	**–**	(21)	**–**	(21)
Shareholder of the Company				
Secondment of staff	**(24)**	(90)	**(24)**	(90)
Recharge of expenses to the Group and Company	**–**	(5)	**–**	(5)
Recharge of expenses by the Group and Company	**5**	–	**5**	–

The balances above 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	
	2022	**2021**
	$'000	**$'000**
Short-term benefits	**505**	832
Employer's contribution to defined contribution plans	**42**	54
Share-based payment	**–**	213
Allowance for performance awards	**507**	–
	1,054	1,099

The compensation of directors and key management is determined by the board of directors having regard to the performance of individuals. Performance awards for key management personnel and a director has been approved by the Remuneration Committee.

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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

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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, the Group recorded $81,000 (2021: $Nil) of ECL as at 31 December 2022. The Company recorded $258,000 (2021: $210,000) of ECL as at 31 December 2022.

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.

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:

	Group			
	2022		2021	
	$'000	% of	$'000	% of
By country:				
Singapore	**482**	**81%**	43	34%
France	**6**	**1%**	22	17%
Taiwan	**–**	**–**	15	12%
Indonesia	**46**	**8%**	12	10%
United Kingdom	**–**	**–**	11	9%
Other countries	**10**	**1%**	8	6%
Thailand	**34**	**6%**	6	4%
Japan	**–**	**–**	4	3%
Philippines	**18**	**3%**	4	3%
Czech Republic	**–**	**–**	1	1%
Denmark	**–**	**–**	1	1%
Total	**596**	**100%**	127	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 47% (2021: 51%) of the Group's trade receivables was due from 1 (2021: 2) customer, which amounted to $283,000 (2021: $65,000).

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.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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.

As at 31 December 2022, the Group's net current liabilities amounted to $88,000 (2021: net current assets of $3,693,000) with a cash position of $5,029,000 (2021: $3,960,000). 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. Refer to Note 2.1.

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.

		2022	
	One year or less $'000	**One to five years $'000**	**Total $'000**
Group			
Financial assets			
Trade receivables	**515**	**–**	**515**
Other receivables	**131**	**–**	**131**
Cash and cash equivalents	**5,029**	**–**	**5,029**
Total undiscounted financial assets	**5,675**	**–**	**5,675**
Financial liabilities			
Trade payables	**93**	**–**	**93**
Other payables	**1,144**	**–**	**1,144**
Lease liabilities	**216**	**61**	**277**
Borrowings	**1,112**	**1,732**	**2,844**
Deferred consideration*	**3,300**	**–**	**3,300**
Total undiscounted financial liabilities	**5,865**	**1,793**	**7,658**
Total net undiscounted financial liabilities	**(190)**	**(1,793)**	**(1,983)**

* Subsequent to year-end, the Company has entered into an agreement to revise the settlement term of this amount. Refer to Note 24.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) *Liquidity risk (Continued)*

Analysis of financial instruments by remaining contractual maturities (Continued)

		2021	
	One year or less $'000	**One to five years $'000**	**Total $'000**
Group			
Financial assets			
Trade receivables	127	–	127
Other receivables	121	–	121
Cash and cash equivalents	3,960	–	3,960
Total undiscounted financial assets	4,208	–	4,208
Financial liabilities			
Trade payables	85	–	85
Other payables	900	–	900
Lease liabilities	349	297	646
Borrowings	1,113	2,844	3,957
Deferred consideration	–	3,300	3,300
Total undiscounted financial liabilities	2,447	6,441	8,888
Total net undiscounted financial assets/(liabilities)	1,761	(6,441)	(4,680)

		2022	
	One year or less $'000	**One to five years $'000**	**Total $'000**
Company			
Financial assets			
Trade receivables	**48**	**–**	**48**
Other receivables	**531**	**–**	**531**
Cash and cash equivalents	**4,960**	**–**	**4,960**
Total undiscounted financial assets	**5,539**	**–**	**5,539**
Financial liabilities			
Trade payables	**4**	**–**	**4**
Other payables	**1,091**	**–**	**1,091**
Lease liabilities	**121**	**61**	**182**
Borrowings	**1,112**	**1,732**	**2,844**
Deferred consideration*	**3,300**	**–**	**3,300**
Total undiscounted financial liabilities	**5,628**	**1,793**	**7,421**
Total net undiscounted financial liabilities	**(89)**	**(1,793)**	**(1,882)**

* Subsequent to year-end, the Company has entered into an agreement to revise the settlement term of this amount. Refer to Note 24.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	2021		
	One year or less $'000	**One to five years $'000**	**Total $'000**
Company			
Financial assets			
Trade receivables	91	–	91
Other receivables	1,879	–	1,879
Cash and cash equivalents	2,433	–	2,433
Total undiscounted financial assets	4,403	–	4,403
Financial liabilities			
Trade payables	22	–	22
Other payables	768	–	768
Lease liabilities	215	199	414
Borrowings	1,113	2,845	3,958
Deferred consideration	–	3,300	3,300
Total undiscounted financial liabilities	2,118	6,344	8,462
Total net undiscounted financial assets/(liabilities)	2,285	(6,344)	(4,059)

(c) Foreign currency risk

The Group transacts its business in various foreign currencies, including the United States 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:

	Group			
	Liabilities		**Assets**	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
United States Dollar	**12**	12	**2**	1,311
Euro	**18**	–	**28**	90
Pound Sterling	**–**	–	**55**	55
Australian Dollar	**–**	–	**22**	–
Chinese Yuan	**–**	–	**6**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) *Foreign currency risk (Continued)*

	Company			
	Liabilities		Assets	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
United States Dollar	**10**	12	**2**	1,470
Euro	**18**	–	**28**	90
Pound Sterling	**–**	–	**55**	55

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 analysis 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	
	2022	2021
	$'000	$'000
United States Dollar impact	**(0.1)**	13.0
Euro impact	**0.1**	0.9
Pound Sterling impact	**0.6**	0.6
Australian Dollar	**0.2**	–
Chinese Yuan	**0.1**	–

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

(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 2022

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 $'000	Infectious diseases $'000	Laboratory services $'000	Corporate segment $'000	Total $'000
2022					
Revenue:					
External customers	208	344	1,937	–	2,489
Inter-segment	–	–	–	–	–
Total revenue	208	344	1,937	–	2,489
Segment results:					
Other income	–	–	34	271	305
Employee benefits expense	(91)	(62)	(849)	(1,877)	(2,879)
Depreciation expense	(345)	–	(256)	(160)	(761)
Amortisation expense	(89)	–	(333)	–	(422)
Research and development expense	(121)	(106)	–	–	(227)
Other expenses					
– Impairment loss	(809)	–	(3,233)	–	(4,042)
– Others	(1,416)	(59)	(715)	(629)	(2,819)
Finance costs	–	–	(7)	(161)	(168)
Segment loss before tax	(2,690)	(246)	(4,358)	(2,556)	(9,850)
Income tax credit	–	–	56	420	476
Segment loss after tax	(2,690)	(246)	(4,302)	(2,136)	(9,374)
Assets:					
Additions to non-current assets	60	–	22	11	93

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. SEGMENT INFORMATION (CONTINUED)

(d) Corporate segment (Continued)

Segment revenue and results (Continued)

	Cancer $'000	Infectious diseases $'000	Laboratory services $'000	Corporate segment $'000	Total $'000
2021					
Revenue:					
External customers	337	1,813	164	–	2,314
Inter-segment	–	–	–	–	–
Total revenue	337	1,813	164	–	2,314
Segment results:					
Other income	–	–	–	378	378
Employee benefits expense	(139)	(132)	(335)	(1,040)	(1,646)
Depreciation expense	(461)	–	(213)	(163)	(837)
Amortisation expense	(82)	–	(333)	–	(415)
Research and development expense	(874)	(217)	–	–	(1,091)
Other expenses	(196)	(288)	(548)	(1,672)	(2,704)
Finance costs	–	–	(7)	(201)	(208)
Segment loss before tax	(1,595)	(402)	(1,345)	(2,698)	(6,040)
Income tax credit	–	–	56	–	56
Segment loss after tax	(1,595)	(402)	(1,289)	(2,698)	(5,984)
Assets:					
Additions to non-current assets	137	–	397	28	562

Geographical information

Revenue information based on the geographical location of customers are as follows:

	Cancer		Infectious diseases		Laboratory services	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Segment revenue						
Singapore	**14**	33	**298**	507	**1,857**	27
Japan	**32**	108	**–**	–	**–**	–
China	**11**	–	**–**	–	**–**	–
Europe	**18**	46	**–**	1,236	**2**	47
Hong Kong	**78**	147	**–**	–	**–**	–
Taiwan	**–**	–	**–**	–	**57**	–
Philippines	**–**	–	**–**	–	**14**	24
Indonesia	**–**	–	**46**	63	**–**	–
Others	**55**	3	**–**	7	**7**	66
	208	337	**344**	1,813	**1,937**	164

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. SEGMENT INFORMATION (CONTINUED)

(d) Corporate segment (Continued)

Information about major customers

Revenue from one (2021: two) major customers amounted to $1,316,000 (2021: $1,537,000), arising from sales by the laboratory services segment (2021: Infectious diseases segment).

32. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying value of these financial assets and liabilities are reasonable approximation of fair value due to the relatively short term maturity or they are interest-bearing instrument that are repriced to market interest rate on or near the reporting date.

33. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(i) Partial settlement for deferred consideration payable

Refer to Note 24.

(ii) Grant of share awards pursuant to Biolidics Performance Share Plan

The Company had on 28 February 2023, granted share awards (the "**Awards**") to certain employees and a director of the Company.

The market price (last done price) of the shares on the date of grant is $0.016 and the vesting period of the Awards are:

(a) Up to 28,258,700 Shares, which have vested on the date of grant.

(b) Up to 21,079,800 Shares, within 2 months from 1 March 2023, subject to the achievement of predetermined performance targets.

(c) Up to 21,079,800 Shares, within 4 months from 1 January 2024, subject to the achievement of predetermined performance targets.

34. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 10 Apr 2023.

STATISTICS OF SHAREHOLDINGS

AS AT 23 MARCH 2023

ISSUED AND PAID-UP SHARE CAPITAL	:	S$53,988,893
NUMBER OF ISSUED SHARES	:	559,126,605
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS ON A POLL	:	ONE VOTE PER SHARE
NUMBER AND PERCENTAGE OF TREASURY SHARES	:	Nil
NUMBER AND PERCENTAGE OF SUBSIDIARY HOLDINGS	:	Nil

SIZE OF SHAREHOLDINGS			NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1	–	99	21	0.85	1,350	0.00
100	–	1,000	108	4.40	73,996	0.01
1,001	–	10,000	688	28.00	4,454,576	0.80
10,001	–	1,000,000	1,571	63.94	195,652,205	34.99
1,000,001 & above			69	2.81	358,944,478	64.20
TOTAL			**2,457**	**100.00**	**559,126,605**	**100.00**

TOP TWENTY SHAREHOLDERS

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	CLEARBRIDGE BSA PTE. LTD.	57,123,300	10.22
2	PHILLIP SECURITIES PTE LTD	26,387,117	4.72
3	SEEDS CAPITAL PTE. LTD.	25,880,800	4.63
4	SONG TANG YIH	24,501,500	4.38
5	DBS NOMINEES PTE LTD	22,622,536	4.05
6	TRAUWIN PTE. LIMITED	19,044,600	3.41
7	IFAST FINANCIAL PTE LTD	16,258,730	2.91
8	HSBC (SINGAPORE) NOMINEES PTE LTD	12,851,200	2.30
9	UOB KAY HIAN PTE LTD	10,599,800	1.90
10	OCBC SECURITIES PRIVATE LTD	8,714,400	1.56
11	MAYBANK SECURITIES PTE. LTD.	7,433,900	1.33
12	LIM CHWEE TECK	7,330,600	1.31
13	TOK BOON SEONG	6,000,000	1.07
14	RAFFLES NOMINEES (PTE) LIMITED	5,625,400	1.01
15	TAN WEIREN VINCENT (CHEN WEIREN VINCENT)	4,500,000	0.80
16	SIU YEUNG SAU	4,120,900	0.74
17	TAN BENG HUAT	4,000,000	0.72
18	CHEONG POH NEO PAULINE	3,302,700	0.59
19	LIM YAN LING OR TOK BOON SEONG	3,200,000	0.57
20	DARK HORSE INVESTMENT HOLDINGS LIMITED	3,012,800	0.54
		272,510,283	**48.76**

STATISTICS OF SHAREHOLDINGS

AS AT 23 MARCH 2023

SUBSTANTIAL SHAREHOLDERS

(as shown in the Company's register of Substantial Shareholders)

	NO. OF SHARES			
NAME OF SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
Clearbridge BSA Pte. Ltd.	57,123,300	10.22	–	–
Clearbridge Health Limited[1]	–	–	57,123,300	10.22

Note:

(1) Clearbridge BSA Pte. Ltd. ("**CBSA**") is wholly-owned by Clearbridge Health Limited ("**CBH**"), a company listed on Catalist. For the purposes of Section 4 of the Securities and Future Act 2001, CBH is deemed to have an interest in the Shares held by CBSA.

Public Shareholdings

Based on the information available to the Company as at 23 March 2023, approximately 85.40% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist issued by SGX-ST.

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, 28 April 2023 at 3.00 p.m. for the following purposes:

Ordinary Business

1. To receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2022 ("**FY2022**"), the directors' statement and the auditor's report thereon. **(Resolution 1)**

2. To approve the payment of directors' fees of up to S$160,000 for the financial year ending 31 December 2023 ("**FY2023**"), payable quarterly in arrears. **(Resolution 2)**

3. To re-elect Mr Song Tang Yih as a director of the Company ("**Director**"), who is retiring pursuant to Regulation 97 of the Company's constitution ("**Constitution**"), and who, being eligible, offers himself for re-election.
   <u>(See Explanatory Note 1)</u> **(Resolution 3)**

4. To re-elect Ms Ch'ng Li-Ling as a Director, who is retiring pursuant to Regulation 103 of the Constitution and who, being eligible, offers herself for re-election.
   <u>(See Explanatory Note 2)</u> **(Resolution 4)**

5. To note the retirement of Mr Chia Beng Kwan as a Director, who is retiring under Regulation 97 of the Constitution, and who will not be seeking re-election and will retire as a Director at the conclusion of the AGM.
   <u>(See Explanatory Note 3)</u>

6. To note the cessation of Messrs Ernst & Young LLP as the independent auditor of the Company.
   <u>(See Explanatory Note 4)</u>

7. 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:

8. **Authority to allot and issue shares in the capital of the Company ("Shares")**

   "THAT pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rule of Catalist ("**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,

NOTICE OF ANNUAL GENERAL MEETING

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 Catalist 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 Catalist 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 Catalist 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

(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."
(See Explanatory Note 5) **(Resolution 5)**

NOTICE OF ANNUAL GENERAL MEETING

9. **Authority to grant awards and to allot and issue Shares pursuant to the Biolidics Performance Share Plan ("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,

provided 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."
(See Explanatory Note 6) **(Resolution 6)**

By Order of the Board

Nor Hafiza Alwi
Company Secretary
Singapore

13 April 2023

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(1) Mr Song Tang Yih ("**Mr Song**") will, upon re-election as a Director, remain as an Executive Director and the Chief Executive Officer of the Company. Detailed information on Mr Song can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Company's annual report for FY2022 ("**FY2022 Annual Report**").

(2) Ms Ch'ng Li-Ling ("**Ms Ch'ng**") will, upon re-election as a Director, remain as an Independent Director of the Company. Ms Ch'ng is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Ms Ch'ng can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the FY2022 Annual Report.

(3) Mr Chia Beng Kwan will retire as an Independent Director of the Company at the conclusion of the AGM and concurrently relinquish his position as the chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee of the Company.

(4) Ernst & Young LLP ("**EY**") had expressed their intention not to seek re-appointment as the independent auditor of the Company at the AGM and the Company is taking the necessary steps to identify and appoint the new independent auditor (the "**New Auditor**"). The Company will be issuing a circular to Shareholders setting out, *inter alia*, the relevant details in relation to the New Auditor and to seek the approval of Shareholders for the appointment of the New Auditor at an extraordinary general meeting to be convened in due course and in any event, no later than 3 months after the cessation of EY as the Company's independent auditor at the conclusion of the AGM. The Company will update the Shareholders on material developments in relation to this matter as and when necessary.

(5) The resolution 5 in item 8 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 to 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 the resolution) to be allotted and issued shall not exceed 100% of the total issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of the resolution. For an 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, the aggregate number of Shares (including Shares to be made in pursuance of instruments, made or granted pursuant to the resolution) to be alloted and issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of the resolution.

(6) The resolution 6 in item 9 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 Shares (excluding treasury shares and subsidiary holdings) from time to time.

NOTES:

1. The AGM is being convened, and will be held, 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 this Notice of AGM will not be sent to members. Instead, this Notice of AGM may be accessed on the Company's website at the URL http://www.biolidics.com and on the website of the SGX-ST at the URL http://www.sgx.com/securities/company-announcements.

2. Alternative arrangement relating to attendance at the AGM via electronic means, submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing proxy(ies), are set out below. This Notice of AGM, the FY2022 Annual Report and the proxy form may be accessed on 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.

   Participation in the AGM via Electronic Means

3. **The AGM will be held by way of electronic means and members will not be able to attend the AGM in person.** Shareholders including investors holding Shares through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**", and such investors, "**CPF/SRS Investors**") who wish to attend the AGM, will be able to watch the proceedings of the AGM through a "live" audio-visual webcast or listen to these proceedings through a "live" audio feed. In order to do so, they must pre-register at the pre-registration website https://globalmeeting.bigbangdesign.co/biolidics2023/ by 3.00 p.m. on 25 April 2023 ("**Registration Cut-Off Time**").

NOTICE OF ANNUAL GENERAL MEETING

4. Following authentication of his/her/its status, the authenticated Shareholders, proxies and Investors will receive email instructions ("**Confirmation Email**") on how to access the "live" audio-visual webcast and "live" audio feed of the proceedings of the AGM by 10.00 a.m. on 27 April 2023. Shareholders and CPF/SRS Investors who have pre-registered for the "live" audio-visual webcast or "live" audio-only stream but who have not received the Confirmation Email by 10.00 a.m. on 27 April 2023, should contact the Company's webcast vendor, Big Bang Design Pte Ltd at webcast@bigbangdesign.co.

5. The CPF/SRS investors who wish to participate in the AGM by (a) watching and/or listening to the AGM proceedings through "live" audio-visual webcast; (b) submitting questions in advance of, or "live" at the AGM; and/or (c) attending the AGM or appointing proxy(ies) to attend, speak or vote at the AGM, should also approach their respective CPF Agent Banks or SRS Operators to make the necessary arrangements at least seven (7) working days before the AGM.

6. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Act (other than CPF/SRS) and who wish to participate in the AGM by (a) watching and/or listening to the AGM proceedings through "live" audio-visual webcast; (b) submitting questions in advance of, or "live" at the AGM; and/or (c) attending the AGM "live" by the Shareholders themselves or appointing proxy(ies) to attend, speak or vote at the AGM, should also approach their respective relevant intermediaries through which they hold such Shares at least seven (7) working days before the AGM in order to make the necessary arrangements for them to participate in the AGM.

Submitting questions in advance of the AGM

7. Shareholders who have registered and have been authenticated as members of the Company will be able to ask questions relating to the resolutions to be tabled for approval at the AGM during the AGM by submitting text questions via the chatbox function to input their queries upon joining the webcast. The Company will endeavour to respond to such queries during the AGM as far as reasonably practicable.

8. Shareholders and Investors may submit questions in advance of the AGM. All questions, together with the full names, identification numbers, contact numbers, email addresses of the Shareholders and Investors and manner in which they hold Shares must be submitted no later than 3.00 p.m. on 19 April 2023 via the pre-registration website at the URL: https://globalmeeting.bigbangdesign.co/biolidics2023/ or via email to the Company at main@zicoholdings.com.

9. The Company will endeavour to address all substantial and relevant questions received from the Shareholders and Investors via the Company's website at the URL http://www.biolidics.com and the SGX-ST's website at the URL http://www.sgx.com/securities/company-announcements, at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

10. Any relevant and substantial questions received after 19 April 2023 shall be addressed during the AGM. The Company will publish the minutes of the AGM, including substantial and relevant queries from Shareholders addressed during the AGM, if any, on SGXNET and/or the Company's website within one (1) month after the date of AGM.

11. Investors (other than CPF/SRS Investors) will not be able to submit questions relating to the business of the AGM via the methods set out above. Instead, they should approach their relevant intermediaries as soon as possible in order for the relevant intermediaries to make necessary arrangements for them to submit questions in advance of the AGM.

Voting by Shareholders

12. Shareholders and Investors who wish to exercise their voting rights at the AGM may:

    (i) (where the Shareholder is an individual) attend and vote "live" at the AGM;

    (ii) (where the Shareholder is an individual or a corporate) appoint proxy(ies) to attend and vote "live" at the AGM on their behalf; and

    (iii) (where the Shareholder is an individual or a corporate) appoint the Chairman of the AGM as proxy to vote on their behalf.

    "Live" voting will be conducted during the AGM. It is important for Shareholders and proxies to have their own web-browser enabled devices ready for voting during the AGM. Examples of web-browser enabled devices include mobile smartphones, laptops, tablets or desktop computers with internet capabilities.

    Shareholders and proxies who have indicated their preference for "live" voting during pre-registration may cast their votes at the AGM by following the instructions provided in the Confirmation Email.

    Shareholders and proxies should therefore have their Confirmation Email containing the instructions handy for reference. For the avoidance of doubt, "live" voting is not permissible by the audio-only feed.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Proxy Form

13. A Shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such Shareholder's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

14. A Shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different shares or shares held by such member. Where such Shareholder's proxy form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

15. The 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.

    The proxy form is not valid for use by Investors (including CPF/SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her immediate intermediary as soon as possible to specify his/her voting instruction. CPF/SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their voting instruction by 3.00 p.m. on 19 April 2023, being seven (7) working days before 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, B.A.C.S. Private Limited, via email to main@zicoholdings.com no later than 3.00 p.m. on 25 April 2023.

16. The proxy(ies), need not be a member of the Company.

17. The proxy form appointing proxy(ies) must be submitted to the Company in the following manner:

    (a) if submitted by post, must be deposited at the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or

    (b) if submitted electronically, must be submitted via email to main@zicoholdings.com,

    in either case, not less than seventy-two (72) hours before the time fixed for holding the AGM.

    A member who wishes to submit a proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

    Members are strongly encouraged to submit completed proxy forms electronically via email.

18. 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 by the signatures of authorised persons in the manner as set out under the Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.

19. Where the proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

20. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his/her/its name appears on the Depository Register maintained by The Central Depository (Pte) Limited not less than seventy-two (72) hours before the time appointed for holding the AGM.

PERSONAL DATA PRIVACY

By (a) submitting a proxy form appointing proxy(ies) to vote at the AGM and/or any adjournment thereof, (b) submitting any questions prior to the AGM, or (c) submitting the pre-registration form in accordance with 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing proxy(ies) for the AGM (including any adjournment thereof); processing the pre-registration forms for purposes of granting access to members for the "live" webcast or "live" audio stream and providing viewers with any technical assistance, when necessary; addressing substantial and relevant questions from members received in advance of the AGM; 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 or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) 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.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Key information regarding the Directors who have been nominated for re-election as a Director at the forthcoming AGM is set out below

Name of Person	**Song Tang Yih**	**Ch'ng Li-Ling**
Date of appointment	1 September 2021	31 March 2023
Date of last re-appointment (if applicable)	28 April 2022	NA
Age	59	51
Country of principal residence	Singapore	Singapore
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Having reviewed his qualifications and work experiences, the Board, with the recommendation of the NC, approves the re-election of Mr Song as the Executive Director and Chief Executive Officer ("**CEO**").	Having reviewed her qualifications and work experiences, the Board, with the recommendation of the NC, approves the re-election of Ms Ch'ng as an Independent Director.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Song is responsible for the overall management, operations, strategic planning and business development of the Group.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and CEO	Independent Director
Professional qualification	Please refer to the section entitled "Board of Directors" on page 9 of this annual report for further details.	Please refer to the section entitled "Board of Directors" on page 11 of this annual report for further details.
Working experience and occupation(s) during the past 10 years	Please refer to the section entitled "Board of Directors" on page 9 of this annual report for further details.	Please refer to the section entitled "Board of Directors" on page 11 of this annual report for further details.
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 24,501,500 ordinary shares in the Company	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	Nil
Conflict of interests (including any competing business)	Nil	Nil
Undertaking (in the form set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Song Tang Yih	Ch'ng Li-Ling
Other Principal Commitments including Directorships:		
Past (for the last 5 years)	Directorships: Nil	Directorships: 1. Anchor Resources Limited 2. Declout Limited
Present	Directorships*: 1. Biomedics Laboratory Pte Ltd 2. ClearCell Pte Ltd 3. Drukpa Singapore Ltd.	Directorships*: 1. LHN Limited
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Song Tang Yih	Ch’ng Li-Ling
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Song Tang Yih	Ch'ng Li-Ling
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Song Tang Yih	Ch'ng Li-Ling
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes. Mr Song received warnings from the Monetary Authority of Singapore and the Accounting Corporate and Regulatory Authority dated 15 May 2012 for failing to notify substantial shareholdings of a Singapore-incorporated company listed on the SGX-ST within 2 business days. In addition, Advance SCT Limited ("**Advance SCT**"), of which Mr Song held the position of Executive Director and President from 1 March 2014 to 30 April 2015, and certain of the then directors of Advance SCT, were issued a reprimand by the Singapore Exchange Securities Trading Limited on 30 October 2015 ("**SGX Reprimand**") for breaches of certain listing rules in connection with events that took place between 2011 and 2013. Mr Song was not the subject of this SGX Reprimand and the breaches were in respect of events that took place before Mr Song's appointment at Advance SCT.	No

* Please refer to the section entitled "Board of Directors" on pages 9 to 11 of this annual report for further details on Mr Song's and Ms Ch'ng's other principal commitments.

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

ANNUAL GENERAL MEETING PROXY FORM

Important:

1 The annual general meeting of the Company ("**AGM**") is being convened, and will be held, 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 13 April 2023 ("**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 on the Company's website at the URL http://www.biolidics.com and on the website of the Singapore Exchange Securities Trading Limited 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 AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointment of proxy(ies) at the AGM, are set out in the Notice of AGM dated 13 April 2023.

3 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) may appoint other person(s) or the Chairman of the AGM as his/her/its proxy(ies) to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

4 For investors holding shares of the Company through Relevant Intermediaries including CPF/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. Such investors who wish to exercise their voting rights should approach their Relevant Intermediaries as soon as possible. CPFIS Investors or SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 3.00 p.m. on 19 April 2023.

*I/We, ______________________ (Name) ____________ (NRIC No./Passport No./Company Registration No.)

of ____ (Address)

being *a member/members of Biolidics Limited (the "**Company**"), hereby appoint:

Name	Email Address^	NRIC/Passport No.*	Proportion of shareholdings (%)

and/or(delete as appropriate)

Name	Email Address^	NRIC/Passport No.*	Proportion of shareholdings (%)

or failing him/them*, the Chairman of the AGM, as *my/our proxy to vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means (via "live" audio-visual webcast and/or "live" audio feed) on Friday, 28 April 2023 at 3.00 p.m. and at any adjournment thereof.

^ *Compulsory for registration purposes. Only valid email address provided in the submitted proxy form will receive a confirmation email from the Company.*

* *Delete where applicable*

*I/We direct my *proxy/proxies to vote for or against, or abstain from voting on the ordinary resolutions to be proposed at the AGM as indicated hereunder.

No.	RESOLUTIONS RELATING TO:	No. of Votes For**	No. of Votes Against**	No of Votes Abstain**
ORDINARY BUSINESS				
1.	Receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2022, the directors' statement and the auditor's report thereon			
2.	Approval of the payment of directors' fees for the financial year ending 31 December 2023, payable quarterly in arrears			
3.	Re-election of Mr Song Tang Yih as a director of the Company ("**Director**")			
4.	Re-election of Ms Ch'ng Li-Ling as a Director			
SPECIAL BUSINESS				
5.	Authority to allot and issue shares in the capital of the Company ("**Shares**")			
6.	Authority to grant awards and to allot and issue Shares pursuant to the Biolidics Performance Share Plan			

Notes:

* *Delete where applicable*

** *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(ies) not to vote on that resolution. In the absence of specific directions in respect of a resolution, the appointment of proxy(ies)for that resolution will be treated as invalid.*

Dated this __________ day of __________________ 2023

Total number of Shares in:	No. of Shares
CDP Register	
Register of Members	

____
Signature of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

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 2001), 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. Members and CPF/SRS Investors will be able to watch the proceedings of the AGM through a "live" audio-visual webcast or listen to these proceedings through a "live" audio feed. In order to do so, the members and CPF/SRS Investors who wish to watch the "live" audio-visual webcast or listen to the "live" audio feed must pre-register by 3.00 p.m. on 25 April 2023, via the URL https://globalmeeting.bigbangdesign.co/biolidics2023/. Following authentication of his/her/its status as members or SRS Investors, authenticated members and CPF/SRS Investors will receive email instructions on how to access the "live" audio-visual webcast and "live" audio feed of the proceedings of the AGM by 10.00 a.m. on 27 April 2023.

   Where a member (whether individual or corporate) appoints other person(s) or 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 proxy form, failing which the appointment of proxy(ies) for that resolution will be treated as invalid.
3. CPF/SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF/SRS Operators to submit their voting instruction by 3.00 p.m. on 19 April 2023, being seven (7) working days before the AGM.
4. The proxy(ies), need not be a member of the Company.
5. The proxy form appointing proxy(ies) must be submitted to the Company in the following manner:
   a. if submitted by post, must be deposited at the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
   b. if submitted electronically, must be submitted via email to main@zicoholdings.com,

   in either case, not less than seventy-two (72) hours before the time fixed for holding the AGM.

   A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address above, or before scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed forms electronically via email.
6. 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 by the signatures of authorised persons in the manner as set out under the Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.
7. Where the proxy form is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.
8. 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 1967 of Singapore.

GENERAL:

The Company shall be entitled to reject the 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 the 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 seventy-two (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 an instrument appointing proxy(ies), a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2023.

BIOLIDICS LIMITED

(Company Registration Number: 200913076M)

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