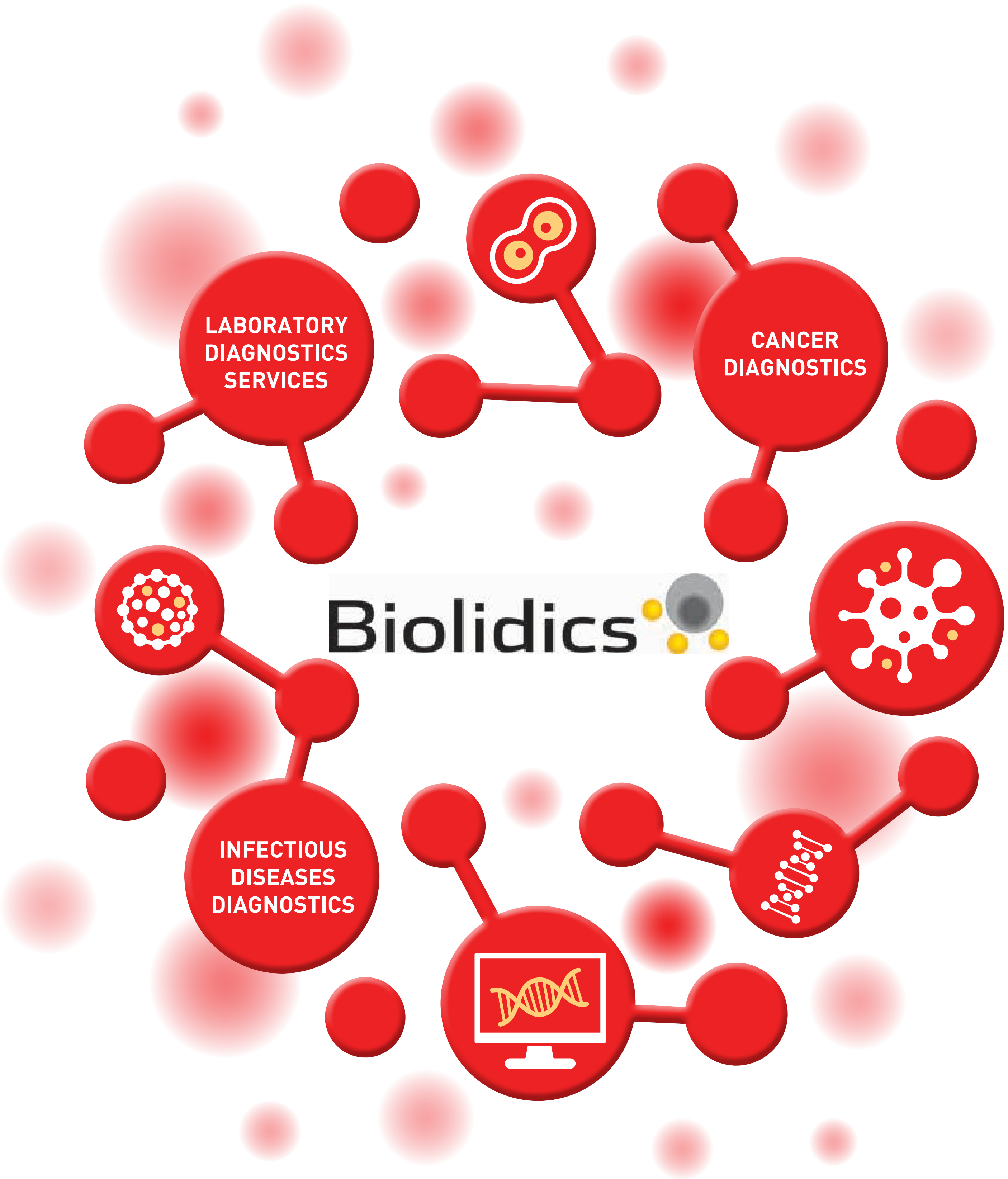

ANNUAL REPORT 2021

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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, CE-IVD, US FDA Class I registration and NMPA Class I registration.

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

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."

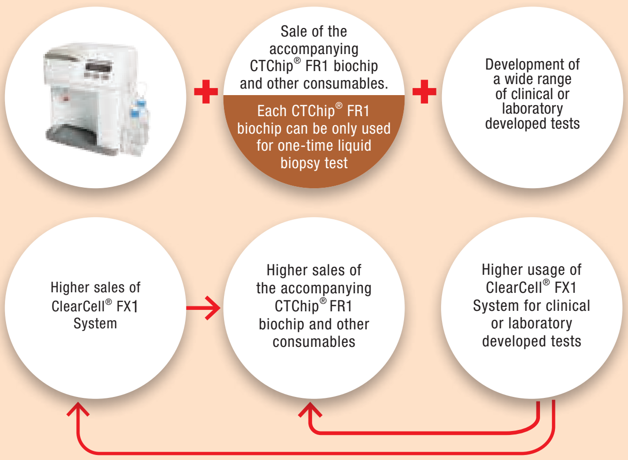
ADVANTAGES OF OUR SOLUTION

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

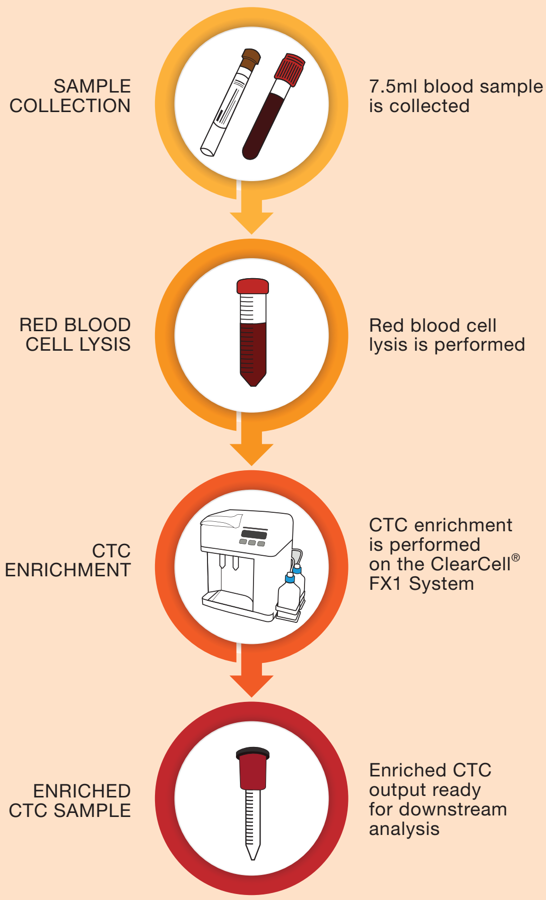
OUR BUSINESS MODEL



COMMERCIALISATION OF OUR PRODUCT

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

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



DIAGNOSTIC SOLUTIONS FOR INFECTIOUS DISEASES

INFECTIOUS DISEASES

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

BIOLIDICS' GROWING 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 pandemic.

ClearEpi™ SARS-CoV-2 Neutralizing Antibody Rapid Test

Key Product Features:

- ✓ Detection time of 15 minutes
- ✓ Qualitative detection of circulating human IgG neutralizing antibodies (nAbs) that block the interaction between the receptor binding domain (RBD) of the SARS-CoV-2 spike protein with the cell surface ACE2 receptor
- ✓ May aid in evaluating individuals' immune response after vaccination (14-28 days after completing vaccination schedule)
- ✓ May aid in post-vaccination monitoring to indicate when booster shot is needed
- ✓ Convenient storage conditions: 4°C - 30°C
- ✓ Obtained CE Mark

Please see full details of our antibody test kit here:

https://www.biolidics.com/neutralisation-antibody-test-kits

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

Key Product Features:

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

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

ClearEpi™ SARS-CoV-2 Antigen Rapid Test

Key Product Features:

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

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

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 ("**CAP**") 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.

In December 2021, the laboratory obtained regulatory approval from Singapore's Ministry of Health ("**MOH**") for molecular microbiology testing with the successful upgrade of its laboratory's infastructure to biosafety level 2. With MOH's approval, the laboratory can offer Polymerase Chain Reaction ("**PCR**") diagnostics services for COVID-19 in Singapore and it has been added to the laboratory's service offerings.

CAP ACCREDITED
COLLEGE of AMERICAN PATHOLOGISTS

MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS,

On behalf of the board of directors ("**Board**") 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 2021 ("**FY2021**").

Since our listing on the SGX-ST in 2018, the Group's business model has expanded from precision medical technology of oncology liquid biopsy to also include infectious disease and clinical laboratory services in light of the global COVID-19 pandemic. To this extent the Group has, among others, developed and commercialised its own COVID-19 related products, as well as secured distributorships for third-party medical solutions and diagnostic technologies. In December 2021, the clinical laboratory owned by the Group's wholly-owned subsidiary, Biomedics Laboratory Pte. Ltd. (the "**Biomedics Lab**"), following its upgrade, was approved by the Singapore Ministry of Health to provide medical microbiology (molecular microbiology) services, including SARS-CoV-2 polymerase chain reaction (PCR) testing, in addition to offering a suite of other diagnostics testing services. The Group continues its research collaboration with leading R&D institutions and oncology specialists, working on the commercialisation stages of clinically validated oncology solutions. The Biomedics Lab continues to play an important role in these initiatives.

The onset of the COVID-19 pandemic, which started in the 1^{st} quarter of 2020, presented severe challenges to the business of the Group. Borders were closed in the Group's key markets in Europe, USA and East Asia, and travel and movement restrictions were put in place in most cities around the world. From a global health perspective, prevention of and survival from COVID-19 became the primary motives (and responsibilities) for most healthcare facilities and medical services, until vaccines became available to the general populace from the 4^{th} quarter of 2020 till today, with the People's Republic of China ("**PRC**"), with its zero-COVID policy, still implementing lockdowns for various cities despite a nationwide vaccination programme.

With the rollout of vaccinations and reducing severity of current COVID-19 strains, travel restrictions have been gradually lifted by many countries, save for certain countries such as the PRC and Japan, where incoming travellers are still subject to testing and quarantine regardless of their vaccination status. While this can be regarded as a positive development for the Group, it remains to be seen how quickly the Group's business and operations for the liquid biopsy segment can return to its pre-pandemic position. The Group remains cautiously optimistic although it must recognise that any marketing inroads made pre-pandemic would take time to re-establish, with also the possibility of changed customer and regulatory requirements to cater for COVID-19.

MESSAGE TO SHAREHOLDERS

The Group will constantly review its product and service offerings in order to adapt to changes and challenges in its operating environment to enable its business activities to stay relevant and sustainable. The Group will also explore other opportunities to grow its business, as well as look to fundraising opportunities to strengthen its financial position.

The Company will continue to provide timely updates to shareholders of the Company ("**Shareholders**") should there be any material development affecting the Group's business and operations.

ACKNOWLEDGEMENTS

At this point, we would like to extend our deepest appreciation to our management team, staff and business partners for their contribution and support towards the Group as we seek to strengthen our business model.

We would also like to thank our fellow directors for their guidance and counsel. There have been some changes during the past year to our Board with some of our directors retiring or stepping down and new directors being appointed. Please join us in acknowledging the contributions of our former directors and also in extending a warm welcome to our new directors.

Last, but not least, we would like to thank our Shareholders for their continuous support.

Thank You!

GAVIN MARK MCINTYRE
Non-Executive Independent Chairman

SONG TANG YIH
Executive Director and Chief Executive Officer

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

The global COVID-19 pandemic has had a significant impact on the global economy and businesses, as the Group adapts to the opportunities, challenges and uncertainties brought about by the COVID-19 pandemic. As a result, in addition to its liquid biopsy products, the Group had broadened its product and service offerings through the development and commercialisation of its own COVID-19 related products, as well as the sale and distribution of third-party medical and healthcare-related products and other technologies within the diagnostic space. In December 2021, the Group's clinical laboratory in Singapore added medical microbiology (molecular microbiology) services, which includes SARS-CoV-2 polymerase chain reaction (PCR) testing for COVID-19, as one of its service offerings which it will continue to offer in the current financial year ending 31 December 2022, in addition to a suite of other diagnostics testing services.

Due to the rapidly evolving nature of the COVID-19 pandemic, the Group is nevertheless exposed to various uncertainties and challenges such as the emergence of competing and newer technologies, product regulatory changes, travel policies and restrictions, and shifting of priority from other diseases to focus on COVID-19. These uncertainties could affect the Group's commercialisation strategies and activities. The Group will seek to constantly review its product and service offerings in order to keep pace with the above-mentioned uncertainties and challenges and ensure that the Group's business continues to stay relevant and sustainable. The Group will also explore other opportunities to grow its business as well as fundraising opportunities to strengthen its financial position.

FINANCIAL REVIEW

Revenue

Revenue decreased by 74.0% or S$6.60 million, from S$8.91 million in FY2020 to S$2.31 million in FY2021, due mainly to the decrease in sales of the Group's COVID-19 related products which amounted to S$1.81 million in FY2021, as compared to S$7.81 million in FY2020. The decrease was due to a growing supply of COVID-19 antigen and antibody test kits which led to a highly competitive market under the constraints of intense price competition.

Revenue from the sales of the Group's ClearCell® FX1 system, CTChip® FR1 biochip and other related services and consumables decreased from S$1.06 million in FY2020 to S$0.34 million in FY2021, while revenue from rendering of laboratory services increased from S$0.04 million in FY2020 to S$0.16 million in FY2021.

Other income

Other income decreased by 39.4% or S$0.24 million, from S$0.62 million in FY2020 to S$0.38 million in FY2021, due mainly to a decrease of S$0.40 million in government grant income in FY2021. The decrease was partially offset by a foreign exchange gain as a result of the strengthening of the United States Dollar arising from certain bank balances denominated in United States Dollar, and a gain from the remeasurement of the deferred consideration payable for the acquisition of Biomedics Laboratory Pte. Ltd. ("**BLPL**") as a result of the extension of the due date of the deferred consideration.

Changes in inventories

The Group recorded a decrease of S$0.04 million in the closing balance of its inventories in FY2021, as compared to an increase of S$0.63 million in FY2020. The fluctuations in the balance of the Group's inventories were due mainly to the timing of the purchase and sale of inventories.

Purchases

The Group's purchases decreased by 70.6% or S$4.30 million, from S$6.10 million in FY2020 to S$1.80 million in FY2021, in line with the decrease in sales of its COVID-19 related products during the year.

Employee benefits expense

Employee benefits expense decreased by 39.8% or S$1.09 million, from S$2.74 million in FY2020 to S$1.65 million in FY2021, due mainly to a decrease of S$1.32 million in share-based payment expense in FY2021, partially offset by S$0.40 million in additional salaries of employees of BLPL which was acquired in May 2020.

Depreciation expense

Depreciation expense remained relatively stable at S$0.75 million and S$0.84 million, in FY2020 and FY2021, respectively.

Amortisation expense

Amortisation expense increased by 70.6% or S$0.18 million, from S$0.24 million in FY2020 to S$0.42 million in FY2021, due mainly to the amortisation of the CAP Accreditation of BLPL.

Research and development ("R&D") expense

R&D expense increased by 24.3% or S$0.21 million, from S$0.88 million in FY2020 to S$1.09 million in FY2021, due mainly to the increase in developmental activities for COVID-19 related products during the year.

OPERATIONS & FINANCIAL REVIEW

Other expenses

Other expenses decreased by 32.6% or S$1.31 million, from S$4.01 million in FY2020 to S$2.70 million in FY2021. The decrease was due mainly to (i) a decrease of S$0.35 million in professional fees (cash-settled), (ii) a decrease of S$0.52 million in professional fees (equity-settled), (iii) a decrease of S$0.16 million in travelling expenses, and (iv) a foreign exchange gain of S$0.08 million recognised under other income in FY2021 as compared to a foreign exchange loss of S$0.55 million in FY2020, partially offset by an increase of S$0.30 million in inventories written off, relating to expired COVID-19 related products.

Finance costs

Finance costs increased by 63.7% or S$0.08 million, from S$0.13 million in FY2020 to S$0.21 million in FY2021, due mainly to an increase of S$0.06 million in interest expense from the working capital bank loan drawn down in April 2020 and November 2020, and an increase of S$0.03 million in interest accreted on the deferred consideration payable for the acquisition of BLPL.

Income tax credit

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

Loss for the year

As a result of the foregoing, loss for the year increased by 28.7% or S$1.33 million, from S$4.65 million in FY2020 to S$5.98 million in FY2021.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by 8.5% or S$0.50 million, from S$5.81 million as at 31 December 2020 to S$5.31 million as at 31 December 2021. This was due mainly to a decrease in right-of-use assets and intangible assets of S$0.25 million and S$0.28 million, respectively, which arose mainly from the depreciation and amortisation charges during the year.

Current assets

The Group's current assets decreased by 52.8% or S$6.84 million, from S$12.95 million as at 31 December 2020 to S$6.11 million as at 31 December 2021. This was due mainly to a decrease in cash and cash equivalents of S$6.71 million as a result of the net cash used in operating activities of S$4.62 million, net cash used in investing activities of S$0.86 million and net cash used in financing activities of S$1.16 million.

Current liabilities

The Group's current liabilities remained relatively stable at S$2.29 million and S$2.42 million, as at 31 December 2020 and 31 December 2021, respectively.

Non-current liabilities

The Group's non-current liabilities decreased by 18.5% or S$1.52 million, from S$8.19 million as at 31 December 2020 to S$6.67 million as at 31 December 2021. This was due mainly to (i) a payment of S$0.30 million made during FY2021 of the deferred consideration in relation to the acquisition of BLPL, (ii) a decrease in borrowings of S$1.02 million comprising the non-current portion of working capital bank loans, and (iii) a decrease in non-current portion of lease liabilities of S$0.15 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Operating cash outflow before movements in working capital amounted to S$4.09 million in FY2021. Net cash used for working capital amounted to S$0.39 million due mainly to an increase in inventories of S$0.39 million. Interest paid amounted to S$0.14 million. As a result, net cash used in operating activities was S$4.62 million in FY2021.

Net cash used in investing activities for FY2021 amounted to S$0.86 million. This was due mainly to (i) additions to plant and equipment of S$0.43 million, (ii) additions to intangible assets of S$0.13 million, and (iii) payment of S$0.30 million made during FY2021 of the deferred consideration in relation to the acquisition of BLPL.

Net cash used in financing activities for FY2021 amounted to S$1.16 million. This was due mainly to payment of S$0.87 million and S$0.30 million of the principal portion of borrowings and the principal portion of lease liabilities, respectively in FY2021.

Exchange effects on cash and cash equivalents for FY2021 amounted to S$0.06 million.

As a result, there was a net decrease in cash and cash equivalents by S$6.65 million, from S$10.67 million as at 31 December 2020 to S$3.96 million as at 31 December 2021.

BOARD OF DIRECTORS

GAVIN MARK MCINTYRE

Date of First Appointment: 23 November 2021
Chairman: Audit 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 Chairman of their audit committee. In February 2017, he was also appointed as an independent director of VCPLUS Limited.

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.

CHEN JOHNSON

Date of First Appointment: 19 July 2009

Member: Nominating Committee

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

Past directorships in other listed companies: Nil

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

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

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

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

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

BOARD OF DIRECTORS

LEONG YOW SENG

Date of First Appointment: 20 November 2018
Chairman: Remuneration Committee
Member: Audit Committee and Nominating Committee

Present and past directorships in other listed companies: Nil

Yow Seng is the Lead Independent Director of the Company. Since 2021, he has been the Head of Corporate Affairs of ASL Marine Holdings Ltd. (SGX: A04), where his responsibilities include fund raising, corporate restructuring and investors relationship. He is also currently a Behaviour Therapist at Lazarus Centre Pte. Ltd., an early intervention centre for children with autism.

From 2014 to 2020, Yow Seng was the Group Chief Financial Officer of Minergy Resources Pte. Ltd., where he leads fund raising, financial reporting, investment analysis and investor communication. From 2012 to 2014, he served as a Director (corporate and client solutions) at CIMB Bank Berhad, where he led a team of relationship managers and managed client relationships with regional small and medium-sized enterprises and multi-national corporations. From 2010 to 2012, he was the Group Chief Investment Officer of EGI Group Limited, where he was responsible for investment, divestment, and business development related activities. He spent the early part of his career in the corporate finance industry.

Yow Seng graduated cum laude with a Bachelor of Business Administration (Double Major in Finance and Psychology) from Western Michigan University in 1997 and obtained a Master of Business Administration from Western Michigan University in 2003.

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

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

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

IAN DAVID BROWN

Date of First Appointment: 14 June 2021
Member: Audit Committee, Nominating Committee and Remuneration 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 InterGrain Pty Ltd, an Australian Government owned barley, wheat and oats seed breeding company; OmniBlend Innovation Pty Ltd, a company commercialising a novel diabetes management pre-meal drink; 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.

EXECUTIVE OFFICERS

LEONG MAN CHUN
Chief Scientific Officer

Man Chun joined the Company as the Chief Commercial Officer in September 2019. He was redesignated to Interim CEO in March 2020, and subsequently to Chief Scientific Officer in September 2021. He is responsible for managing the scientific, technological and research operations of the Group.

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

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

TAN WEI CHEE
Financial Controller

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

From 2009 to 2015, he was an Audit Manager at Deloitte & Touche LLP, Singapore, where he was responsible for the application of International Financial Reporting Standards and Singapore Financial Reporting Standards. During his tenure, he led teams and managed resources in audit engagements to ensure proper and timely head-office reporting and statutory reporting. He also identified corporate governance deficiencies and offered best practice proposals, and ensured compliance to clients' internal controls and regulatory requirements.

Wei Chee obtained his Degree of Bachelor of Accountancy from the Nanyang Technological University in 2009. He qualified as a Chartered Accountant of Singapore and was admitted as a Member of the Institute of Singapore Chartered Accountants in 2014.

HUE HAN SEUNG (DEXTER)
Director of Corporate Finance and Corporate Development

Dexter joined the Company as Director of Corporate Finance/Corporate Development and Compliance in October 2020, and was re-designated as Director of Corporate Finance and Corporate Development in September 2021. He is responsible for overseeing the strategic planning and development of the Group, from opportunity identification to execution and post-deal integration; including sourcing, financial modelling, due diligence and closing, and business development and integration activities.

He was previously Associate Director in Ernst & Young Singapore Transaction Advisory Services, leading financial due diligence deals in diversified industries including healthcare, retail, consumer products and technology both for corporate as well as private equity clients. Prior to this, he was Audit Manager in Ernst & Young Malaysia and was responsible for financial and compliance audits for companies in the oil and gas sector.

Dexter is a Fellow Member of Association of Chartered Certified Accountant and a Member of Chartered Valuer and Appraiser. He qualified as a Chartered Accountant of Singapore and was admitted as a Member of the Institute of Singapore Chartered Accountants in 2016.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Gavin Mark McIntyre
Non-Executive Independent Chairman

Chen Johnson
Non-Executive Non-Independent Director and Founder

Song Tang Yih
Executive Director and Chief Executive Officer

Leong Yow Seng
Lead Independent Director

Chia Beng Kwan
Independent Director

Ian David Brown
Independent Director

AUDIT COMMITTEE

Gavin Mark McIntyre *(Chairman)*
Leong Yow Seng
Chia Beng Kwan
Ian David Brown

NOMINATING COMMITTEE

Chia Beng Kwan *(Chairman)*
Chen Johnson
Leong Yow Seng
Ian David Brown

REMUNERATION COMMITTEE

Leong Yow Seng *(Chairman)*
Chia Beng Kwan
Ian David Brown

COMPANY SECRETARY

Lim Sim Ving
(Associate Member and Practising Chartered Secretary)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

37 Jalan Pemimpin
#02-07 Mapex
Singapore 577177

SPONSOR

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

SHARE REGISTRAR

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

AUDITOR

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

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

INVESTOR RELATIONS

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

SUSTAINABILITY REPORT

SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

BOARD STATEMENT

The board of directors ("**Board**" or "**Directors**") of Biolidics is pleased to present our sustainability report (the "**Report**") for FY2021.

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

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

The Board recognises the importance of sustainability and considers environmental, social and governance ("**ESG**") factors in its decision making, while focusing on areas which are most relevant to our business. For FY2021, we have continued our sustainability approach by reviewing our materiality assessment, performance indicators and targets that will guide our sustainability efforts.

The global COVID-19 pandemic has had a significant impact on the global economy and businesses, as the Group adapts to the opportunities, challenges and uncertainties brought about by it. As a result, in addition to its liquid biopsy products, the Group had broadened its product and service offerings through the development and commercialisation of its own COVID-19 related products, as well as the sale and distribution of third-party medical and healthcare-related products and other technologies within the diagnostic space. In FY2021, the Group's clinical laboratory in Singapore has added medical microbiology (molecular microbiology) services, which includes SARS-CoV-2 polymerase chain reaction (PCR) testing for COVID-19, as one of its service offerings which it will continue to offer in the current financial year ending 31 December 2022 ("**FY2022**").

Nevertheless, due to the rapidly evolving nature of the COVID-19 pandemic, the Group is exposed to various uncertainties and challenges such as the emergence of competing and newer technologies, product regulatory changes, and travel policies and restrictions, which could affect the Group's commercialisation strategies and activities. The Group will seek to constantly review its product and service offerings in order to keep pace with the above-mentioned uncertainties and challenges and ensure that the Group's business continues to stay relevant and sustainable. The Group will also explore other opportunities to grow its business as well as fundraising opportunities to strengthen its financial position.

We are committed to grow sustainably as a forward-looking company covering our approach and performance in sustainability as we continue to actively explore collaborations and partnerships for the development and commercialisation of new technologies and products related to our liquid biopsy, infectious disease and laboratory businesses.

This Report is prepared in accordance with the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**") and with reference to the Global Reporting Initiative ("**GRI**") Standards. This Report serves as a platform for Biolidics to formally communicate our sustainability approach on our practices, performance and targets in relation to our sustainability efforts for FY2021 with our stakeholders.

Board of Directors
Biolidics Limited

ABOUT THIS REPORT

This is Biolidics' third sustainability report.

The scope of this Report focuses on the Group's key business activities in Singapore. Information disclosed in this Report reflects our ESG efforts and encapsulates our commitment to grow sustainably as a forward-looking company covering our approach and performance in sustainability for FY2021.

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

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

We have not sought external assurance for this Report.

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

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

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

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

The following table depicts our material factors for FY2021.

Material Factors	Sustainability Aspects	For Detailed Information
Economic Performance		• Operations and Financial Review, pages 7 to 9 • Financial Statements, pages 64 to 121 • Sustainability Report, page 21
Occupational Health and Safety (including Effluents and Waste)		Sustainability Report, pages 22 to 23
Talent Retention (including Training and Education)		Sustainability Report, pages 23 to 26
Research and Development/Innovation		Sustainability Report, pages 26 to 27
Customer Privacy		Sustainability Report, page 27
Product Quality and Safety		Sustainability Report, page 28
Socioeconomic Compliance		Sustainability Report, page 29

Legend:

Economic Environmental Social Governance

STAKEHOLDERS' ENGAGEMENT

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

Stakeholders	Key Topics and Concerns	Engagement Methods	Frequency of Engagement
Customers	• 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 PERFORMANCE

For more information regarding our economic performance for FY2021, please refer to the Operations and Financial Review section (pages 7 to 9) and Financial Statements section (pages 64 to 121) of this annual report.

SUSTAINABILITY REPORT

SOCIAL AND ENVIRONMENTAL

Occupational Health and Safety (including Effluents and Waste)

FY2021 Performance
• In FY2021, there were no workplace injuries or fatalities.
FY2022 Target
• Maintain zero fatalities and workplace injuries in FY2022.

Occupational Health and Safety

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

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

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

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

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

In FY2021, Biolidics' absenteeism rates for male and female employees were at an average of 1.4 days and 2.8 days per annum respectively, whilst the absenteeism rates for employees in Singapore and China were at an average of 2.0 days and 0 days per annum respectively, and the average absenteeism rate for all employees was at 1.9 days per annum.

In FY2021, we are proud to report that there were no cases of work-related injury and fatalities for all employees. We aim to maintain zero fatalities and zero workplace injuries in FY2022.

Effluents and Waste

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

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

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

SOCIAL

Talent Retention (including Training and Education)

FY2021 Performance
• In FY2021, our employees achieved an average of 35 training hours.
FY2022 Target
• All permanent employees to complete at least 20 hours of training per year, in order to achieve the adequate level of training for their scope of work.

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

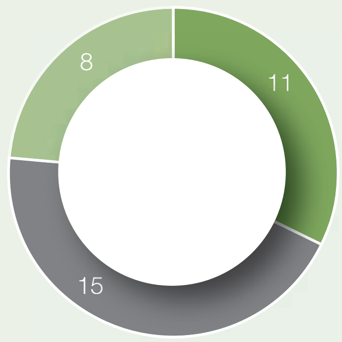
Furthermore, we have the Biolidics Performance Share Plan (the "**Plan**") where the primary objective of the Plan is to retain employees whose contributions are essential to the well-being and success of Biolidics, and to give recognition to outstanding employees who have contributed to the growth of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

In FY2021, Biolidics' workforce totalled 34 permanent and full-time employees, with 91% and 9% being employed in Singapore and China respectively. Male and female employees represented 56% and 44% of the employee base respectively. For FY2021, the average monthly new employee hiring rate and the average monthly employee turnover rate were at 6.8% and 4.3% respectively.

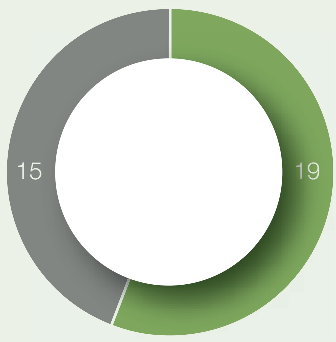
SUSTAINABILITY REPORT

FY2021

Total number of employees – by age group

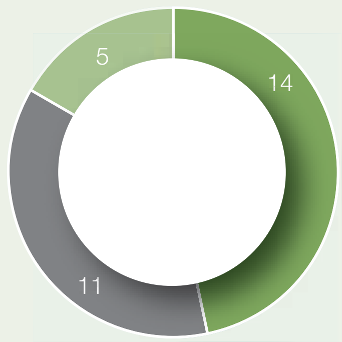


Total number of employees – by gender

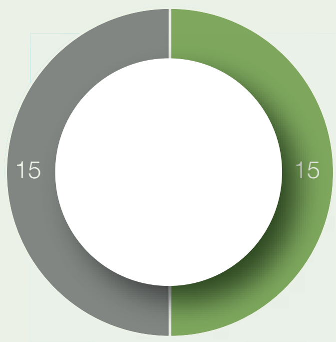


Total number of employees – by region

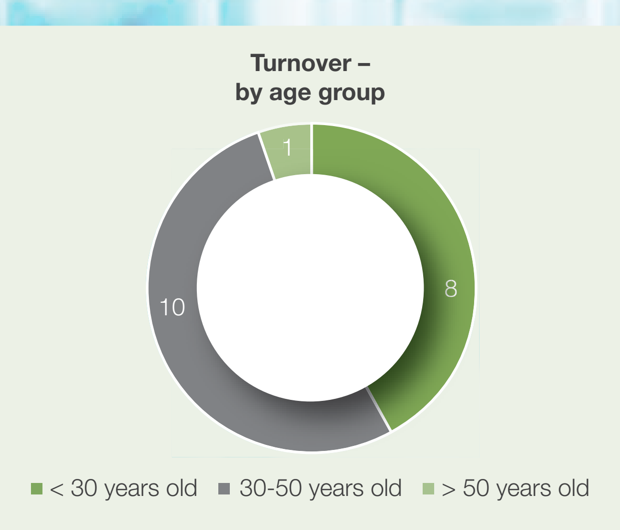
New employee hire – by age group

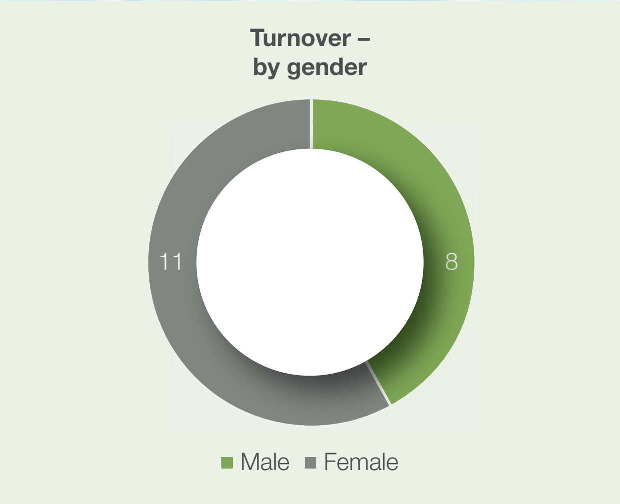


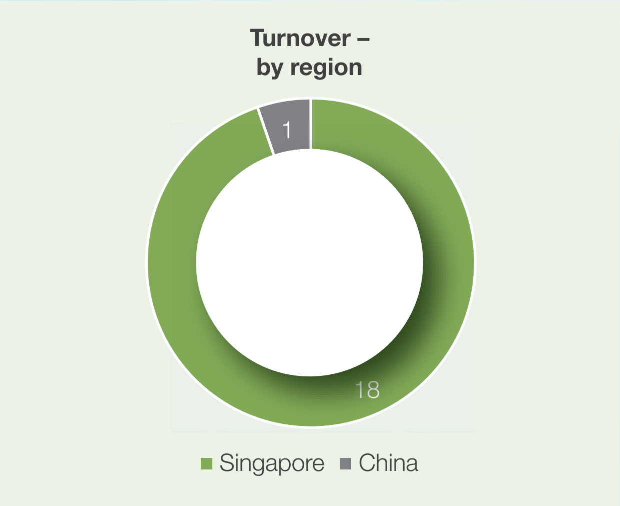
New employee hire – by gender




New employee hire –
by region
1
29
Singapore
China


Turnover –
by age group
1
8
10
< 30 years old
30-50 years old
> 50 years old


Turnover –
by gender
11
8
Male
Female


Turnover –
by region
1
18
Singapore
China

SUSTAINABILITY REPORT

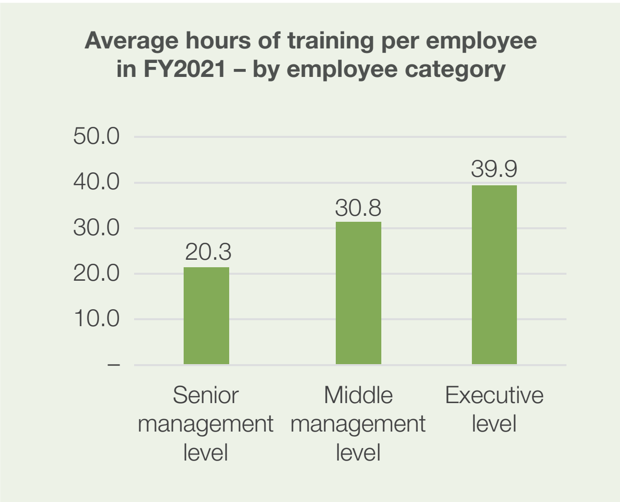
Training and Education

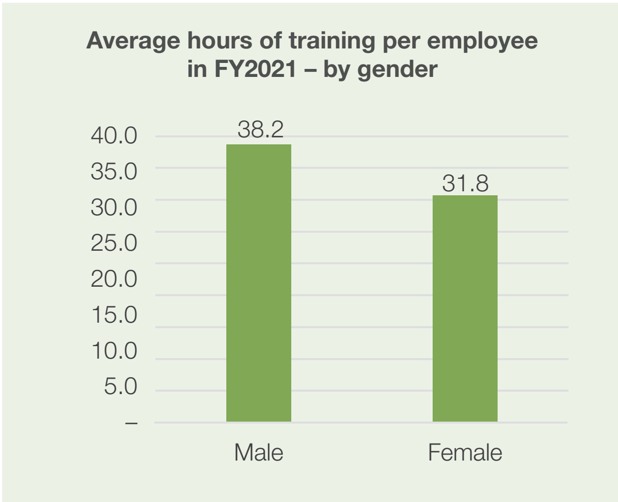
Biolidics believes in investing and strengthening our employees' technical, functional and behavioural competencies in line with their job requirements and career aspirations. This is done by providing learning and development opportunities to our employees. These opportunities can be in the form of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

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

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

In FY2021, our employees achieved an average of 35[2] training hours.





RESEARCH AND DEVELOPMENT/INNOVATION

FY2021 Performance
• In FY2021, Biolidics developed its own neutralising antibody COVID-19 test kit that is embedded with a technology licensed from A*STAR ("**ClearEpi NAB Test**"). The Group had in September 2021, obtained the CE marking for the ClearEpi NAB Test, and had in December 2021, commenced the commercial production of the ClearEpi NAB Test.
FY2022 Targets
• Further enhance collaboration with new and existing partners. • Enter collaboration with new partners for identified objectives.

1 ISO 13485:2016 – Medical devices – Quality management systems – Requirements for regulatory purposes
2 Number has been rounded up

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

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

In FY2022, we aim to enter and further enhance our strategic collaborations with our existing and new partners with the objective to strengthen our Group's innovative expertise and product portfolio.

CUSTOMER PRIVACY

FY2021 Performance
• In FY2021, there were no known substantiated complaints concerning breaches of customer privacy and no known cases of identified leaks, thefts or losses of customer data.
FY2022 Target
• Maintain zero known cases concerning breaches of customer privacy, identified leaks, thefts or losses of customer data.

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

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

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

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

SUSTAINABILITY REPORT

PRODUCT QUALITY AND SAFETY

FY2021 Performance
• Customer satisfaction survey: 91% average rating in customers' satisfaction with the ClearCell® FX1 System from 9 responses to our customer survey. • Product quality: 100% pass rate for the ClearCell® FX1 System prior to release. There were 0% of CTChip® FRI biochip failure due to leaky chip. • 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.
FY2022 Targets
• Customer satisfaction survey: To achieve at least 80% average rating in customers' satisfaction with the ClearCell® FX1 System from at least 10 customers. • Product quality: 100% pass rate for the ClearCell® FX1 System prior to release. Less than 5% CTChip® FRI biochip failure due to leaky chip. • Customer feedback response time: 100% customer feedbacks/complaints to be acknowledged within 7 days. • CAPA response time: CAPA investigation to be completed within 1 month and implementation of proposed CAPA actions within 3 months. • Field safety corrective action: To achieve zero product recall.

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

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

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

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

GOVERNANCE

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

Socioeconomic Compliance

FY2021 Performance
• Zero instance of non-compliance with laws and regulations in the social and economic area.
FY2022 Targets
• Zero non-compliance with laws and regulations in the social and economic area. • Continue to conduct social and economic compliance training for all new hires in FY2022.

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

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

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

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

In FY2021, we are proud to report that there were zero instances of non-compliance with laws and regulations in the social and economic area. In FY2022, we aim to continue to have zero non-compliance with laws and regulations in the social and economic area and to continue providing socioeconomic compliance training for all new hires.

CORPORATE GOVERNANCE

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

For FY2021, the Board has reviewed its corporate governance practices and ensured that they are in compliance with the applicable provisions of the Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore.

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

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

BOARD MATTERS

Principle 1 The Board's Conduct of Affairs

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

Composition of the Board

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

Gavin Mark McIntyre	Non-Executive Independent Chairman ("**Chairman**")
Chen Johnson	Non-Executive Non-Independent Director and Founder
Song Tang Yih	Executive Director and Chief Executive Officer ("**CEO**")
Leong Yow Seng	Lead Independent Director
Chia Beng Kwan	Independent Director
Ian David Brown	Independent Director

* *Kong Chee Keong resigned as an Independent Director on 23 November 2021, with his effective cessation date being 7 December 2021 and 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, 7 February 2022. Following Kong Chee Keong's resignation, Gavin Mark McIntyre was appointed as an Independent Director on 23 November 2021. Following Yee Pinh Jeremy's resignation, Gavin Mark McIntyre was appointed as Chairman on 7 February 2022.*

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 Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (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 ("**Shares**").

CORPORATE GOVERNANCE

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

- provide entrepreneurial leadership and set the corporate strategies of the Company. This includes setting the direction and goals for Management;
- ensure that the necessary resources are available for the Company to meet its strategic objectives;
- establish and maintain a framework of prudent and effective controls, which enables risks to be assessed and managed, including safeguarding of Shareholders' interest and the 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	Leong Yow Seng
Members	Chia Beng Kwan	Chen Johnson	Chia Beng Kwan
	Leong Yow Seng	Leong Yow Seng	Ian David Brown
	Ian David Brown	Ian David Brown	

Notes:

(1) Kong Chee Keong resigned as an Independent Director on 23 November 2021, with his effective cessation date being 7 December 2021. Following his resignation, Kong Chee Keong ceased to be the chairman of the AC and a member of the RC.

(2) Following Kong Chee Keong's resignation, Gavin Mark McIntyre was appointed as an Independent Director, chairman of the AC, and a member of the RC with effect from 23 November 2021.

(3) Yee Pinh Jeremy resigned as the Non-Executive Non-Independent Chairman on 7 February 2022. Following his resignation, Yee Pinh Jeremy ceased to be a member of the RC.

(4) Following Yee Pinh Jeremy's resignation, Gavin Mark McIntyre was appointed as Chairman with effect from 7 February 2022. Following his appointment, Gavin Mark McIntyre resigned as a member of the RC and Chia Beng Kwan was appointed as a member of the RC in place of Gavin Mark McIntyre on 7 February 2022.

CORPORATE GOVERNANCE

Board Meetings and Attendance

The attendance of the Directors at the Board and Board Committee meetings for FY2021 is as follows:

	Board	AC	NC	RC
	Number of meetings held: 4	Number of meetings held: 4	Number of meeting held: 1	Number of meetings held: 1
Name	Number of meetings attended	Number of meetings attended	Number of meetings attended	Number of meetings attended
Chen Johnson	4	NA	1 (Member)	NA
Gavin Mark McIntyre(3)	1	1 (Chairman)	NA	NA
Yee Pinh Jeremy(2)	3 (Chairman)	NA	NA	1 (Member)
Kong Chee Keong(1)	2	2 (Chairman)	NA	NA
Chia Beng Kwan(3) and (4)	3	3 (Member)	NA	NA
Ian David Brown(5)	3	2 (Member)	NA	NA
Leong Yeow Seng	4	4 (Member)	1 (Member)	1 (Chairman)
Song Tang Yih(6)	1	NA	NA	NA
Ong Hsien Chih, James (Weng Xianzhi, James)(7)	1	1 (Member)	1 (Chairman)	NA
Toh Shih Hua(8)	1	1 (Chairman)	NA	1 (Member)

NA – Not Applicable

Notes:

(1) Kong Chee Keong was appointed as an Independent Director on 1 April 2021. He was also appointed as the chairman of the AC and a member of the RC on 30 April 2021. Kong Chee Keong resigned as an Independent Director on 23 November 2021, with his effective cessation date being 7 December 2021. Consequently, he ceased to be the chairman of the AC and a member of the RC.

(2) Yee Pinh Jeremy resigned as the Non-Executive Non-Independent Chairman on 7 February 2022. Consequently, he ceased to be a member of the RC on 7 February 2022.

(3) Gavin Mark McIntyre was appointed as an Independent Director, the chairman of the AC, and a member of the RC with effect from 23 November 2021. On 7 February 2022, Gavin Mark McIntyre was appointed as the Chairman. Following his appointment as Chairman, Gavin Mark McIntyre resigned as a member of the RC and Chia Beng Kwan was appointed as a member of the RC in place of Gavin Mark McIntyre on 7 February 2022.

(4) Chia Beng Kwan was appointed as an Independent Director on 1 April 2021. He was also appointed as the chairman of the NC and a member of the AC on 30 April 2021.

(5) Ian David Brown was appointed as an Independent Director on 14 June 2021. He was appointed as a member of the AC, NC and RC on 21 June 2021.

(6) Song Tang Yih was appointed as the Executive Director and CEO with effect from 1 September 2021.

(7) Ong Hsien Chih, James (Weng Xianzhi, James) retired as an Independent Director at the conclusion of the annual general meeting of the Company held on 30 April 2021 ("**2021 AGM**"). Consequently, he ceased to be the chairman of the NC and a member of the AC on 30 April 2021.

(8) Toh Shih Hua retired as an Independent Director at the conclusion of the 2021 AGM. Consequently, she ceased to be the chairman of the AC and member of RC on 30 April 2021.

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.

CORPORATE GOVERNANCE

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 an experienced and qualified team of key management personnel.

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.

CORPORATE GOVERNANCE

During FY2021, the Company had 4 newly appointed Directors, namely Gavin Mark McIntyre, Song Tang Yih, Chia Beng Kwan and Ian David Brown. Gavin Mark McIntyre and Song Tang Yih have prior experiences as directors of public listed companies in Singapore. Chia Beng Kwan and Ian David Brown do not have prior experiences as directors of public listed companies in Singapore. To familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore, Chia Beng Kwan and Ian David Brown have attended the relevant modules under the Listed Entity Directors Programme organised by the Singapore Institute of Directors to meet the mandatory training requirements under Rule 406(3)(a) of the Catalist Rules.

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

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

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.

CORPORATE GOVERNANCE

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 6 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.

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

Review of Directors' Independence

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

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 first appointment.

Board Diversity Policy

As at the date of this annual report, the Board comprises 6 Directors, comprising 1 Executive Director, 1 Non-Executive Non-Independent 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 Company's strategic objectives for sustainable and balanced development.

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. While the Board currently only comprises male Directors, the Company is also receptive to achieving greater gender diversity and representation on the Board through the appointment of female Director(s) where there are suitable candidates.

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

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

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

To meet the challenges of the changing landscapes in which the Company operates, such reviews and evaluations, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies, 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 has appointed Leong Yow Seng as the Lead Independent Director. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating the flow of information between the Board and Shareholders, or other stakeholders of the Company. The Lead Independent Director makes himself available to Shareholders at the Company's general meetings.

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

Independent Directors Meetings in Absence of Other Directors

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

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 4 members, a majority of whom including the chairman, are Independent Directors. The Lead Independent Director is a member of the NC. The members of the NC as at the date of this annual report are as follows*:

Chia Beng Kwan	Chairman
Chen Johnson	Member
Leong Yow Seng	Member
Ian David Brown	Member

* During FY2021: (i) Ong Hsien Chih, James (Weng Xianzhi, James) retired as an Independent Director at the conclusion of the 2021 AGM and consequently ceased to be the chairman of the NC; (ii) Chia Beng Kwan was appointed as an Independent Director on 1 April 2021 and was also appointed as the chairman of the NC on 30 April 2021; and (iii) Ian David Brown was appointed as an Independent Director on 14 June 2021 and was also appointed as a member of the NC on 21 June 2021.

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 duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and/or discharging his duties towards other principal commitments outside the Group;
(e) review the training and professional development programs for the Board;
(f) review the Directors' mix of skills, experience, core competencies and knowledge of the Company that the Board requires to function competently and efficiently;
(g) determine and recommend to the Board the maximum number of listed company board representations which any Director may hold and disclosing this in the annual report;
(h) develop a process and criteria for evaluation of the performance of the Board as a whole and its committees, and assess the contribution of each Director to the effectiveness of the Board; and
(i) such other responsibilities as may be required by statute and/or the Catalist Rules and/or as recommended by the Code, and by such amendments made thereto from time to time.

Board Representations

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

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

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

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

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

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

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.

The Constitution requires that 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 annual general meeting of the Company ("**AGM**"). A retiring Director is eligible for re-election at the AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years.

CORPORATE GOVERNANCE

The NC has reviewed and recommended the re-election of Chen Johnson, Gavin Mark McIntyre, Song Tang Yih and Ian David Brown, who will be retiring as Directors at the forthcoming AGM.

Chen Johnson will be retiring as a Director pursuant to Regulation 97 of the Constitution while Gavin Mark McIntyre, Song Tang Yih and Ian David Brown will be retiring as Directors pursuant to Regulation 103 of the Constitution.

Chen Johnson, Gavin Mark McIntyre, Song Tang Yih and Ian David Brown have consented to standing for re-election as Directors. The NC is satisfied that Chen Johnson, Gavin Mark McIntyre, Song Tang Yih and Ian David Brown being eligible, are properly qualified for re-election by virtue of their skills, experience, and contribution of guidance and time to the Board's deliberations. The Board has accepted the recommendations of the NC and recommends to the Shareholders to approve the re-election of Chen Johnson, Gavin Mark McIntyre, Song Tang Yih and Ian David Brown as Directors at the forthcoming AGM.

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

Continuous Review of Director's Independence

The Independent Directors have declared their independence for FY2021 in accordance with the Code. Following its annual review, for FY2021, the NC considered Gavin Mark McIntyre, Leong Yow Seng, Chia Beng Kwan and Ian David Brown to be independent.

For FY2021, 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 FY2021, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group and is of the opinion that the Directors are able to and 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 FY2021.

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 10 – 13 of this annual report.

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.

CORPORATE GOVERNANCE

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

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

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

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

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

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

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

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

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, is of the view that the performance of the Board has been satisfactory in FY2021 and that the Board has met its performance objectives in FY2021. The evaluation process of the overall performance of the Board was conducted without an external facilitator in FY2021.

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

CORPORATE GOVERNANCE

REMUNERATION MATTERS

Principle 6 **Procedures for Developing Remuneration Policies**

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

Remuneration Committee

As at the date of this annual report, the RC comprises 3 members, all of whom including the chairman, are Independent Directors*:

Leong Yow Seng	Chairman
Ian David Brown	Member
Chia Beng Kwan	Member

* During FY2021: (i) Ian David Brown was appointed as an Independent Director on 14 June 2021 and was also appointed as a member of the RC on 21 June 2021; (ii) Kong Chee Keong was appointed as an Independent Director on 1 April 2021 and was also appointed as a member of the RC on 30 April 2021. Kong Chee Keong resigned as an Independent Director on 23 November 2021, with his effective cessation date being 7 December 2021. Consequently, he ceased to be a member of the RC; (iii) Yee Pinh Jeremy resigned as the Non-Executive Non-Independent Chairman on 7 February 2022 and consequently, ceased to be a member of the RC on 7 February 2022; and (iv) Gavin Mark McIntyre was appointed as an Independent Director with effect from 23 November 2021 and was also appointed as a member of the RC with effect from 23 November 2021. On 7 February 2022, Gavin Mark McIntyre was appointed as Chairman. Following his appointment as Chairman, Gavin Mark McIntyre resigned as a member of the RC and Chia Beng Kwan was appointed as a member of RC in place of Gavin Mark McIntyre on 7 February 2022.

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;
(g) to review the Company's obligations arising in the event of termination of the contracts of the Executive Directors and key management personnel, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
(h) to be fair and avoid rewarding poor performance; and
(i) to carry out such other responsibilities as may be required by statute and/or the Catalist Rules, as recommended by the Code, and by such amendments made thereto from time to time.

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

CORPORATE GOVERNANCE

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 FY2021.

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.

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

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

CORPORATE GOVERNANCE

The Plan also gives recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package, and affords the Company greater flexibility in structuring compensation packages so that the Company is able to make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long-term growth and profitability of the Company.

The Plan is administered by the RC.

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

The RC may grant Awards in relation to which a performance condition is specified ("**Performance-related Awards**"). In relation to each Performance-related Award, the RC must determine that the relevant performance condition has been satisfied during the relevant performance period before the Shares comprised in the Award may be allotted or transferred to the relevant Participant. If the RC determines, in its sole discretion, that the relevant performance condition has not been satisfied during the relevant performance period, or if the relevant Participant (being an employee of the Company) has not continued to be an employee from the date of grant up to the end of the relevant performance period, the Performance-related Award will lapse.

In FY2020, the Company granted Awards of which up to 7,703,500 Shares will be issued upon the vesting of such Awards (the "**FY2020 Awards**") to the relevant Participants of the Group under the Plan. 2,521,000 Shares were allotted and issued in August 2020 pursuant to the vesting of certain FY2020 Awards. In FY2021, a further 1,011,200 Shares were allotted and issued in April 2021, pursuant to the vesting of certain FY2020 Awards.

Subject to the achievement of predetermined performance targets, (a) up to 1,727,500 FY2020 Awards will vest within 4 months from 1 January 2022; and (b) up to 1,727,500 FY2020 Awards will vest within 4 months from 1 January 2023.

In FY2021, no new Awards were granted under the Plan.

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.

CORPORATE GOVERNANCE

The breakdown of the total remuneration of the Directors and CEO for FY2021 is as follows:

Name of Director	Salary (%)	Benefits (%)	Bonus (%)	Share-based payment (vested) (%)	Directors' fee (%)	Total (%)
Below S$250,000						
Yee Pinh Jeremy[1]	–	–	–	65	35	100
Chen Johnson	–	–	–	–	100	100
Gavin Mark McIntyre[2]	–	–	–	–	100	100
Leong Yow Seng	–	–	–	–	100	100
Song Tang Yih[3]	100	–	–	–	–	100
Kong Chee Keong[4]	–	–	–	–	100	100
Chia Beng Kwan[5]	–	–	–	–	100	100
Ian David Brown[6]	–	–	–	–	100	100
Ong Hsien Chih, James (Weng Xianzhi, James)[7]	–	–	–	–	100	100
Toh Shih Hua[8]	–	–	–	–	100	100

Notes:

(1) Yee Pinh Jeremy resigned as the Non-Executive Non-Independent Chairman on 7 February 2022.
(2) Gavin Mark McIntyre was appointed as an Independent Director of the Company on 23 November 2021 and subsequently, Chairman on 7 February 2022.
(3) Song Tang Yih was appointed as the Executive Director and the CEO on 1 September 2021.
(4) Kong Chee Keong was appointed as an Independent Director on 1 April 2021 and resigned as an Independent Director on 23 November 2021 with his effective cessation date being 7 December 2021.
(5) Chia Beng Kwan was appointed as an Independent Director on 1 April 2021.
(6) Ian David Brown was appointed as an Independent Director on 14 June 2021.
(7) Ong Hsien Chih, James (Weng Xianzhi, James) retired as an Independent Director at the conclusion of the 2021 AGM.
(8) Toh Shih Hua retired as an Independent Director at the conclusion of the 2021 AGM.

Save as disclosed above, no compensation was paid in the form of share awards to the Directors in FY2021. There were no terminations, retirements and/or post-employment benefits granted to the Directors in FY2021.

Key Management Personnel's Remuneration

The breakdown of the total remuneration of the Group's key management personnel (who are not Directors) for FY2021 is as follows:

Name of key management personnel[1]	Salary (%)	Benefits (%)	Share-based payment (vested) (%)	Bonus (%)	Total (%)
Below S$250,000					
Tan Wei Chee	69	–	31	–	100
Wang Qingyin[2]	52	–	48	–	100
Leong Man Chun	64	–	36	–	100
Hue Han Seung[3]	100	–	–	–	100

CORPORATE GOVERNANCE

Notes:
(1) During FY2021, the Group only had 4 key management personnel (who are not Directors).
(2) Wang Qingyin resigned as the Chief Operating Officer of the Company on 9 July 2021 with her effective cessation date being 3 September 2021.
(3) Hue Han Seung was appointed as the Director of Corporate Finance and Corporate Development of the Company on 1 September 2021 and 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.

Save as disclosed above, no compensation was paid in the form of share awards to the key management personnel of the Group in FY2021. There were no terminations, retirements or post-employment benefits granted to the Group's key management personnel in FY2021.

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 FY2021 was approximately S$800,000.

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 FY2021.

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.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Principle 9 **Risk Management and Internal Controls**

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

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

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

Adequacy and Effectiveness of Internal Controls

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

The Board has obtained the following assurance in respect of FY2021:

(i) (from the CEO and FC) 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) (from the CEO, FC, Chief Scientific Officer and Director of Corporate Finance and Corporate Development) the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

Based on the internal control policies and procedures established and maintained by the Group, work performed by the internal auditors and the external auditors, assurance from the 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 FY2021. The AC concurs with the Board's comments. During FY2021, 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.

CORPORATE GOVERNANCE

Principle 10 **Audit Committee**

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

As at the date of this annual report, the AC comprises 4 members, all of whom, including the chairman, are Independent Directors*:

Gavin Mark McIntyre	Chairman
Leong Yow Seng	Member
Chia Beng Kwan	Member
Ian David Brown	Member

* During FY2021: (i) Ong Hsien Chih, James (Weng Xianzhi, James) retired as an Independent Director at the conclusion of the 2021 AGM and consequently ceased to be a member of the AC; (ii) Toh Shih Hua retired as an Independent Director at the conclusion of the 2021 AGM and consequently ceased to be the chairman of the AC; (iii) Chia Beng Kwan was appointed as an Independent Director on 1 April 2021 and was also appointed as a member of the AC on 30 April 2021; (iv) Kong Chee Keong was appointed as an Independent Director on 1 April 2021 and was also appointed as the chairman of the AC on 30 April 2021. Kong Chee Keong resigned as an Independent Director on 23 November 2021, with his effective cessation date being 7 December 2021. Consequently, he ceased to be the chairman of the AC; (v) Ian David Brown was appointed as an Independent Director on 14 June 2021 and was also appointed as a member of the AC on 21 June 2021; and (vi) Gavin Mark McIntyre was appointed as an Independent Director with effect from 23 November 2021 and was also appointed as the chairman of the AC with effect from 23 November 2021.

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;

(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;

CORPORATE GOVERNANCE

(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.

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.

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Gavin Mark McIntyre is a non-practicing Certified Practicing Accountant 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. Leong Yow Seng and Ian David Brown have 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 KPMG and they report directly to the chairman of the AC and administratively to the CEO and FC. KPMG has unrestricted access to the AC as well as the Group's documents, records, properties and personnel that are relevant to their work. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

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

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

Based on the scope of work performed by the internal auditors for FY2021, there were no material weaknesses identified.

CORPORATE GOVERNANCE

Meeting between AC and Auditors

The AC met with the internal auditors and the external auditors in the absence of Management in FY2021.

Independence of External Auditors

The fees paid/payable to the external auditors for audit services for FY2021 were S$120,000. There were no non-audit fees paid to the external auditors for FY2021.

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

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

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

Whistle-blowing Policy

The Group has in place a whistle-blowing policy. It is intended to provide a framework to promote responsible and secure whistleblowing without fear of adverse consequences. The Group's employees and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters verbally or in writing to the FC. All matters reported will be reviewed within a reasonable timeframe, and after due consideration and inquiry, a decision will be taken on whether to proceed with a detailed investigation. Guidance/direction may be sought from the 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 details of the policy have been disseminated and made available to all parties concerned in the Group's Staff Handbook.

There was no whistle-blowing report received during FY2021.

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11 Shareholder Rights and Conduct of General Meetings

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

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

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

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

Dividend Policy

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

No dividend was declared by the Company for FY2021 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.

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

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

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

Directors (including the respective chairman of the Board Committees) will be present at general meetings, to address Shareholder's queries. The external auditors are also required to be present to address Shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. At the Company's last annual general meeting and extraordinary general meeting held on 30 April 2021, all the then Directors were present.

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

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

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

CORPORATE GOVERNANCE

Principle 12 **Engagement with Shareholders**

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

Communication with Shareholders

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

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

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

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

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

Shareholders and the investment community can submit their queries and feedback by email at ir@biolidics.com.

Principle 13 **Managing Stakeholders Relationships**

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

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

The Company maintains a corporate website at http://www.biolidics.com to communicate and engage stakeholders. For more information on the stakeholder engagements, refer to page 21 of this annual report.

CORPORATE GOVERNANCE

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 FY2021 or, if not then subsisting, entered into since the end of FY2020.

Interested Person Transactions ("IPTs")

The AC has reviewed the Group's IPTs for FY2021 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 extraordinary general meeting of the Company held on 30 April 2021 (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 FY2021.

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

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

Dealing in Securities

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

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

Non-sponsor Fees

No non-sponsor fees were paid to the Company's sponsor, United Overseas Bank Limited, for FY2021.

CORPORATE GOVERNANCE

Use of IPO Proceeds

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

	Amount allocated (as disclosed in the Company's offer document) (S$'000)	Amount utilised as at the date of this annual report (S$'000)	Balance (S$'000)
Expand our clinical services applications and clinical services customer segment	2,700	(2,700)	–
Advance our pipeline products	2,400	(1,661)	739
General corporate and working capital purposes(1)	1,000	(1,000)	–
Total	6,100	(5,361)	739

Note:
(1) Comprises operating expenses.

Use of Placement Proceeds

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

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

	Amount allocated (as disclosed in the Placement Shares announcement) (S$'000)	Amount utilised as at the date of this annual report (S$'000)	Balance (S$'000)
Expansion of the Group's presence in its existing markets, into new market segments, and through establishing new sales channels	1,595	(1,263)	332
Expansion of the Company's businesses through investments, mergers and acquisitions, joint ventures and/or strategy collaborations with third parties	792	(575)	217
General corporate and working capital purposes(1)	711	(711)	–
Total	3,098	(2,549)	549

Note:
(1) Comprises operating expenses.

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Biolidics Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

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 2021 and the financial performance and changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Chen Johnson	
Leong Yow Seng	
Chia Beng Kwan	(Appointed on 1 April 2021)
Ian David Brown	(Appointed on 14 June 2021)
Song Tang Yih	(Appointed on 1 September 2021)
Gavin Mark McIntyre	(Appointed on 23 November 2021)

3. Arrangements to enable directors to acquire shares and debentures

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

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

The following directors who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 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	–	–
Yee Pinh Jeremy	1,130,000	1,460,000	–	–
(Share awards)				
Yee Pinh Jeremy	1,305,000	870,000	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2021. On 7 February 2022, Yee Pinh Jeremy has resigned as the Director of the Company.

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

5. Share-Based Payments

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

On 18 August 2020, the Company granted share awards, comprising up to 7,703,500 ordinary shares (the "Shares"), to Mr. Yee Pinh Jeremy, 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.

DIRECTORS' STATEMENT

5. Share-Based Payments (Continued)

Name of Participant	Date of grant	Number of share awards Balance at date of grant	Vested since date of grant[1]	Forfeited since date of grant	Balance at 31 December 2021
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)	(2,061,300)	1,135,000
Third party individuals	18.08.2020	2,723,500	(1,561,500)	(125,000)	1,037,000
		10,427,000	(5,093,700)	(3,161,300)	2,172,000[2]

(1) 1,404,700 Shares were allotted and issued on 30 April 2021, pursuant to the vesting of the share awards in relation to the achievement of pre-determined targets for the financial year ended 31 December 2020 and requisite service period.

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

(a) within 4 months from 1 January 2022 for up to 1,086,000 of the ordinary shares contingent on the achievement of pre-determined targets for the financial year ended 31 December 2021 and requisite service period; and

(b) within 4 months from 1 January 2023 for up to 1,086,000 of the ordinary shares contingent on the achievement of pre-determined targets for the financial year ending 31 December 2022 and requisite service period.

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.

6. Audit committee

The Audit Committee ("AC") 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.

DIRECTORS' STATEMENT

7. Auditor

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

On behalf of the Board of Directors,

Gavin Mark McIntyre
Director

Song Tang Yih
Director

Singapore
11 April 2022

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 2021, 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 reported significantly lower revenue of $2,134,000 and recorded a net loss of $5,984,000 and net cash outflow of $6,648,000 for the financial year ended 31 December 2021. 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 2021 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 applied, 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 2021 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

As disclosed in Notes 11, 22, 12, and 13 to the financial statements, the Group's plant and equipment, right-of-use assets, intangible assets and goodwill (collectively, "long-lived assets"), amounted to $803,000, $390,000, $3,495,000 and $626,000, as at 31 December 2021, respectively. These long-lived assets belong mainly to two of the Group's cash-generating units (CGUs) that represent the Group's Cancer and Laboratory Services business segments. Additionally, as disclosed in Notes 14 and 17 to the financial statements, the Company's balance sheet included an investment in Biomedics Laboratory Pte Ltd (BML) of $3,569,000 and a receivable due from BML of $1,773,000 as at 31 December 2021. BML carries on the Group's Laboratory Services business segment.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Management has assessed that there exists an indication that the Group's long-lived assets and the Company's investment in BML may be impaired. Accordingly, management has determined that the recoverable amounts based on their value-in-use (VIU) calculated using discounted cash flow projections, exceed their carrying amounts. Consequently, no impairment loss was recognised in relation to these assets as at 31 December 2021. Similarly, management has also determined that there was no expected credit loss (ECL) in relation to the receivable due from BML as at 31 December 2021.

The recoverable amounts of the Group's long-lived assets and the Company's investment in BML and the receivable due from BML are critically dependent on cash flow projections made by management in relation to the Cancer and Laboratory Services business segments. Based on the information available to us, we were unable to obtain sufficient appropriate evidence regarding the reasonableness of the key assumptions used by management in the cash flow projections, including but not limited to future revenue, profit margins and certain items of expenses. Accordingly, we were unable to determine the reasonableness of the aforesaid recoverable amounts and absence of ECL determined by the Group. Consequently, we are unable to determine the appropriateness of the related disclosures, and the extent of adjustments that may be required in relation to the carrying amounts of the Group's long-lived assets, and the Company's investment in BML and receivable due from BML as at 31 December 2021.

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 2021

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 Terry Wee Hiang Bing.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

11 April 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
Revenue	4	**2,314,236**	8,907,368
Other income	5	**378,212**	624,444
Changes in inventories		**(35,164)**	633,980
Raw materials and consumables used		**(1,795,982)**	(6,102,422)
Employee benefits expense	6	**(1,646,751)**	(2,735,838)
Depreciation expense	11,22	**(836,810)**	(753,017)
Amortisation expense	12	**(415,184)**	(243,318)
Research and development expense	8	**(1,090,910)**	(877,389)
Other expenses		**(2,704,279)**	(4,010,371)
Finance costs	7	**(208,349)**	(127,248)
Loss before tax	8	**(6,040,981)**	(4,683,811)
Income tax credit	9	**56,587**	33,009
Loss for the year		**(5,984,394)**	(4,650,802)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Effect of translation of foreign operations		**(61,847)**	112,365
Other comprehensive income for the year, net of tax		**(61,847)**	112,365
Total comprehensive loss for the year		**(6,046,241)**	(4,538,437)
Loss per share (cents per share)			
– Basic	10	**(2.26)**	(1.81)
– Diluted	10	**(2.26)**	(1.80)

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

BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
ASSETS					
Non-current assets					
Plant and equipment	11	**802,722**	771,696	**426,965**	718,257
Right-of-use assets	22	**389,801**	635,074	**168,780**	400,391
Intangible assets	12	**3,495,213**	3,776,830	**693,595**	642,346
Goodwill	13	**625,983**	625,983	**–**	–
Investments in subsidiaries	14	**–**	–	**4,968,343**	5,045,994
		5,313,719	5,809,583	**6,257,683**	6,806,988
Current assets					
Cash and cash equivalents	15	**3,959,600**	10,669,461	**2,432,958**	9,023,923
Trade receivables	16	**126,842**	201,741	**90,759**	358,264
Prepayments		**293,792**	267,051	**119,326**	245,633
Other receivables	17	**221,676**	197,165	**1,960,929**	467,533
Inventories	18	**1,508,221**	1,610,011	**1,373,770**	1,588,564
		6,110,131	12,945,429	**5,977,742**	11,683,917
Total assets		**11,423,850**	18,755,012	**12,235,425**	18,490,905
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	19	**84,556**	143,441	**22,361**	130,137
Other payables	20	**929,483**	781,208	**797,484**	771,026
Contract liabilities	21	**128,673**	184,965	**128,673**	184,965
Lease liabilities	22	**253,167**	264,953	**135,388**	149,649
Borrowings	23	**1,020,824**	869,337	**1,020,824**	869,337
Deferred grant income	24	**–**	47,739	**–**	47,739
		2,416,703	2,291,643	**2,104,730**	2,152,853
Net current assets		**3,693,428**	10,653,786	**3,873,012**	9,531,064
Non-current liabilities					
Lease liabilities	22	**232,372**	377,908	**139,288**	274,676
Borrowings	23	**2,742,720**	3,763,513	**2,742,720**	3,763,513
Provision for reinstatement cost		**9,790**	9,790	**4,800**	4,800
Deferred consideration	14	**3,213,578**	3,506,955	**3,213,578**	3,506,955
Deferred tax liabilities	25	**476,275**	532,862	**–**	–
		6,674,735	8,191,028	**6,100,386**	7,549,944
Total liabilities		**9,091,438**	10,482,671	**8,205,116**	9,702,797
Net assets		**2,332,412**	8,272,341	**4,030,309**	8,788,108
Equity attributable to owners of the Company					
Share capital	26	**58,882,571**	58,334,738	**58,882,571**	58,334,738
Foreign currency translation reserve		**67,814**	129,661	**–**	–
Share-based payment reserve	27	**67,394**	508,915	**67,394**	508,915
Accumulated losses		**(56,685,367)**	(50,700,973)	**(54,919,656)**	(50,055,545)
Total equity		**2,332,412**	8,272,341	**4,030,309**	8,788,108
Total equity and liabilities		**11,423,850**	18,755,012	**12,235,425**	18,490,905

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 2021

2021 Group	Share capital $	Foreign currency translation reserve $	Share-based payment reserve $	Accumulated losses $	Total $
Balance as at 1 January 2021	**58,334,738**	**129,661**	**508,915**	**(50,700,973)**	**8,272,341**
Loss for the year	**–**	**–**	**–**	**(5,984,394)**	**(5,984,394)**
Other comprehensive income/(loss):					
Effect of translation of foreign operations	**–**	**(61,847)**	**–**	**–**	**(61,847)**
Other comprehensive loss for the year, net of tax	**–**	**(61,847)**	**–**	**–**	**(61,847)**
Total comprehensive loss for the year	**–**	**(61,847)**	**–**	**(5,984,394)**	**(6,046,241)**
Transactions with owners, recognised directly in equity:					
Employee share-based payment – equity settled	**–**	**–**	**44,343**	**–**	**44,343**
Professional fees – equity settled	**–**	**–**	**61,969**	**–**	**61,969**
Reclassification upon issuance of shares	**547,833**	**–**	**(547,833)**	**–**	**–**
Total transactions with owners, recognised directly in equity	**547,833**	**–**	**(441,521)**	**–**	**106,312**
Balance as at 31 December 2021	**58,882,571**	**67,814**	**67,394**	**(56,685,367)**	**2,332,412**

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

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 2021

Company	Share Capital $	Share-based payment reserve $	Accumulated losses $	Total $
2021				
Balance as at 1 January 2021	**58,334,738**	**508,915**	**(50,055,545)**	**8,788,108**
Loss for the year, representing total comprehensive loss for the year	**–**	**–**	**(4,864,111)**	**(4,864,111)**
Transactions with owners, recognised directly in equity:				
Employee share-based payment – equity settled	**–**	**44,343**	**–**	**44,343**
Professional fees – equity settled	**–**	**61,969**	**–**	**61,969**
Reclassification upon issuance of shares	**547,833**	**(547,833)**	**–**	**–**
Total transactions with owners, recognised directly in equity	**547,833**	**(441,521)**	**–**	**106,312**
Balance as at 31 December 2021	**58,882,571**	**67,394**	**(54,919,656)**	**4,030,309**
2020				
Balance as at 1 January 2020	53,798,878	–	(46,037,519)	7,761,359
Loss for the year, representing total comprehensive loss for the year	–	–	(4,018,026)	(4,018,026)
Transactions with owners, recognised directly in equity:				
Issuance of ordinary shares	3,125,150	–	–	3,125,150
Share issuance expenses	(28,000)	–	–	(28,000)
Employee share-based payment – equity settled	–	1,368,403	–	1,368,403
Professional fees – equity settled	–	579,222	–	579,222
Reclassification upon issuance of shares	1,438,710	(1,438,710)	–	–
Total transactions with owners, recognised directly in equity	4,535,860	508,915	–	5,044,775
Balance as at 31 December 2020	58,334,738	508,915	(50,055,545)	8,788,108

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 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Loss before tax		**(6,040,981)**	(4,683,811)
Adjustments for:			
Expenses relating to short-term leases	8	**19,020**	27,843
Amortisation of intangible assets	12	**415,184**	243,318
Depreciation of plant and equipment	11	**466,836**	452,619
Depreciation of right-of-use assets	22	**369,974**	300,398
Plant and equipment written off	11	**–**	5,198
(Gain)/loss on disposal of plant and equipment	11	**(213)**	9,870
Gain from termination of lease	5	**–**	(101)
Allowance for inventories	18	**66,627**	18,941
Inventories written down	18	**–**	5,765
Inventories written off	18	**358,654**	58,178
Bad debts written off	8	**160**	22,126
Interest expense on lease liabilities	7	**22,545**	25,930
Interest expense on borrowings	7	**119,492**	63,207
Accretion of interest on deferred consideration	7	**66,312**	38,111
Interest income from fixed deposits	5	**(1,739)**	(27,200)
Employee share-based payment – equity settled	6	**44,343**	1,368,403
Professional fees – equity settled	8	**61,969**	579,222
Gain from remeasurement of deferred consideration		**(59,689)**	–
Operating cash flows before changes in working capital		**(4,091,506)**	(1,491,983)
Changes in working capital:			
Decrease in trade receivables		**74,739**	3,650
(Increase)/decrease in prepayments		**(26,742)**	126,917
(Increase) in other receivables		**(24,052)**	(6,579)
Decrease in inventories (Note A)		**(393,825)**	(785,148)
(Decrease) in trade payables		**(58,885)**	(417,367)
Increase in other payables		**142,775**	151,305
(Decrease)/increase in contract liabilities		**(56,292)**	8,152
(Decrease)/increase in deferred grant income		**(47,739)**	47,739
Cash flows used in operations		**(4,481,527)**	(2,363,314)
Interest received		**1,280**	21,338
Interest paid		**(142,002)**	(89,088)
Net cash used in operating activities		**(4,622,249)**	(2,431,064)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
Cash flows from investing activities			
Additions to plant and equipment (Note A)	11	**(428,293)**	(324,721)
Additions to intangible assets	12	**(133,567)**	(124,727)
Proceeds from disposal of plant and equipment		**980**	–
Partial payment of deferred consideration		**(300,000)**	–
Acquisition of a subsidiary, net of cash acquired	14	**–**	(89,979)
Net cash used in investing activities		**(860,880)**	(539,427)
Cash flows from financing activities			
Proceeds from share issuance	26	**–**	3,125,150
Share issuance expenses	26	**–**	(28,000)
Proceeds from borrowings		**–**	5,000,000
Repayment of borrowings		**(869,306)**	(367,150)
Payment of principal portion of lease liabilities		**(295,579)**	(232,055)
Net cash (used in)/generated from financing activities		**(1,164,885)**	7,497,945
Net (decrease)/increase in cash and cash equivalents		**(6,648,014)**	4,527,454
Effect of exchange rate changes on cash and cash equivalents		**(61,847)**	112,365
Cash and cash equivalents at 1 January		**10,669,461**	6,029,642
Cash and cash equivalents at 31 December		**3,959,600**	10,669,461

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.

	2021 $	2020 $
Transfer of inventories to plant and equipment	**70,334**	70,334
Transfer of plant and equipment to inventories	**–**	7,815

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 2021

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 2021 were authorised for issue by the Board of Directors on 11 April 2022.

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.

Material Uncertainty Related to Going Concern

As at 31 December 2021, the Group generated a net loss of $6.0 million and net operating cash outflow of $4.6 million for the financial year then ended. 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 support that the financial statements have been prepared on a going concern basis 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 covering the period from 1 January 2022 to 30 April 2023 ("**Cash Flow Forecast**"). In preparing the Cash Flow Forecast, management has taken the following into consideration:

(i) the challenges faced by the cancer business during the current 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;

(ii) the forecasted cash flow from the laboratory services business which is mainly dependent on the projected sales uptake of its SARS-CoV-2 polymerase chain reaction (PCR) testing for COVID-19; and

(iii) the cost cutting measures that the Group has planned to streamline its businesses and manage cost.

The ability of the Group to fulfil its obligations is dependent on the Group generating sufficient cash flows from its COVID-19 PCR testing services, and the ability to raise new funding. The directors and management are confident that the Cash Flow Forecast is achievable and noted that the Group's current and total assets exceeded its current and total liabilities by $3.7 million and $2.3 million respectively. This will allow the Group to fulfil its obligations as and when they arise. The Group will also explore other opportunities to grow its business as well as fundraising opportunities to strengthen its financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Material Uncertainty Related to Going Concern (Continued)

In addition, due to the rapidly evolving nature of the COVID-19 pandemic, the COVID-19 PCR testing services is exposed to various uncertainties and challenges such as, among others, changes to regulation framework, and international travel policies and requirements, which could affect the sales uptake of the Group's COVID-19 PCR testing services. The Group is closely monitoring the developments of the situation and the impact on its COVID-19 PCR testing services.

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.

2.2 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective as at 31 December 2021.

Description	**Effective for annual periods beginning on or after**
Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
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
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 2021

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 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Plant and equipment

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

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

Computer and office equipment	–	3 years
Laboratory equipment	–	3 years
Testing and trial equipment	–	3 years
Production, tooling and mould equipment	–	3 years
Renovation and furniture and fittings	–	shorter of lease term and 3 years

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

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

2.6 Intangible assets

(a) Goodwill

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

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

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

(b) Other intangible assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(b) Other intangible assets (Continued)

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

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

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

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

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

Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

2.7 Impairment of non-financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets (Continued)

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

2.8 Subsidiaries

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

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

2.9 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments (Continued)

(a) Financial assets (Continued)

Derecognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.10 Impairment of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of financial assets (Continued)

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

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

2.11 Cash and cash equivalents

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

2.12 Inventories

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

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

2.13 Provisions

(a) General

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Government grants

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

2.15 Borrowing costs

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

2.16 Employee benefits

(a) Defined contribution plans

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

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

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

(b) Employee leave entitlement

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

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases

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

As lessee

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

(a) Right-of-use assets

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

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

Office and warehouse premises and laboratory space	–	2 to 3 years
Office and laboratory equipment	–	3 to 5 years

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases (Continued)

As lessee (Continued)

(c) Short-term leases

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

2.18 Revenue recognition

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

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

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

(a) Sale of devices

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (Continued)

(b) Sale of consumables

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

(c) Sale of extended warranty services

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

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

(d) 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.

(e) Rendering of laboratory services

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Taxes (Continued)

(b) Deferred tax (Continued)

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

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

(c) Sales tax

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

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.20 Share capital and share issuance expenses

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

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 2021

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

3.1 Judgements made in applying accounting policies

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

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

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

Management identified the Group's cancer business, infectious diseases business and laboratory services business as the three 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 2021

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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 as at 31 December 2021 is $126,842 (31 December 2020: $201,741).

Calculation of loss allowance for amount due from subsidiaries

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

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, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical date, assumptions and expectations of future conditions.

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 2021 are $210,436 and $1,773,214, respectively.

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

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

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. The Group determines the recoverable amounts of Cancer, Infectious Diseases and Laboratory Services CGUs based on the income method. Refer to Note 3.1(a) to the financial statements for information on the identification of the Group's CGUs. The income method has been prepared based on discounted cash flow model covering a five-year period. The estimated recoverable amounts of the CGUs are in excess of the carrying amount of the CGUs. Accordingly, the Group concluded that no impairment is required to be recognised as at 31 December 2021. The recoverable amounts are sensitive to discount rate, estimated revenue growth rate, estimated gross profit margin and profitability of respective CGUs.

The carrying amounts of plant and equipment, right-of-use assets and intangible assets at the end of the reporting period are disclosed in Notes 11, 22, and 12 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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)

Goodwill on consolidation

As disclosed in Note 13 to the financial statements, the recoverable amount of the CGU, which goodwill have been allocated to, are determined based on the income method. The income method has been prepared based on discounted cash flow models covering a five-year period. The key assumptions applied in the determination of cash flow forecasts, are disclosed and further explained in Note 13 to the financial statements. The recoverable amounts are sensitive to discount rate, estimated revenue growth rate, estimated gross profit margin and profitability of the CGU.The carrying amount of the goodwill on consolidation as at 31 December 2021 is $625,983.

(c) Share-based compensation

The Group measures the cost of equity-settled transactions with a director, employees and third party individuals by reference to the fair value of the equity instruments at the date at which they are granted and the probability of achieving the predetermined performance targets and service conditions. Significant judgement and estimation are involved in determining the probability of achieving the predetermined performance targets and service conditions in computing the number of shares that will eventually vest during the vesting period. During the financial year ended 31 December 2021, the Group recorded share-based payment expense of $44,343 and $61,969 for share awards granted to (i) a director and qualifying employees and (ii) third party individuals respectively as disclosed in Notes 6 and 27, respectively.

(d) Impairment assessment of investment in subsidiaries

The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication of impairment based on SFRS(I)1-36 requirements. If any indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). The Company has estimated the recoverable amounts for its investment based on income method mentioned in Section 3.2(b) above. The recoverable amounts are sensitive to discount rate, estimated revenue growth rate, estimated gross profit margin and profitability of the subsidiaries.

The carrying amount of the Company's investment in subsidiaries is disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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	
	2021	**2020**
	$	**$**
Sale of COVID-19 products	**1,812,970**	7,806,885
Sale of devices and consumables	**301,889**	987,168
Sale of extended warranty services	**35,607**	74,035
Rendering of laboratory services	**163,770**	39,280
	2,314,236	8,907,368
Timing of transfer of goods or services		
At point in time	**2,278,629**	8,833,333
Over time	**35,607**	74,035
	2,314,236	8,907,368

(b) Contract liabilities

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

	Group	
	2021	**2020**
	$	**$**
Contract liabilities	**128,673**	184,965

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 $128,673 (2020: $184,965) as revenue relating to the transaction price allocated to the unsatisfied performance obligations as at year-end in the financial year 2022 (2020: 2021).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. OTHER INCOME

	Group	
	2021	**2020**
	$	**$**
Government grants	**193,975**	592,755
Interest income from fixed deposits	**1,739**	27,200
Foreign exchange gain, net	**81,198**	–
Gain on disposal of plant and equipment	**213**	–
Gain from termination of lease	**–**	101
Gain from remeasurement of deferred consideration	**59,689**	–
Reversal of accrual for unconsumed leave	**18,148**	–
Others	**23,250**	4,388
	378,212	624,444

Included in government grant income is an amount of $46,827 (2020: $226,916) and $132,113 (2020: $Nil) recognised during the financial year under the Jobs Support Scheme ("JSS") and Jobs Growth Incentive ("JGI") 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	
	2021	**2020**
	$	**$**
Directors' remuneration	**260,308**	278,858
Salaries and bonuses	**1,184,555**	978,780
Employer's contribution to defined contribution plans	**157,545**	109,797
Share-based payment – equity settled		
– Director	**24,977**	544,423
– Employees	**19,366**	823,980
	1,646,751	2,735,838

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 (the "Shares"), to a director and certain employees pursuant to the Biolidics Performance Share Plan. The Shares were granted at the fair value of $0.39 per share, which was based on the market price of the shares on the date of grant.

2,521,000 Shares, which were subjected to a moratorium of 6 months from the date of allotment, were allotted and issued on 19 August 2020, pursuant to the vesting of the Awards.

1,404,700 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 2021

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 ending 31 December 2022
Payout	0% – 150% depending on the achievement of specified performance targets over the respective performance period and requisite service period: (i) Tranche 1: Within 4 months from 1 January 2021 (ii) Tranche 2: Within 4 months from 1 January 2022 (iii) Tranche 3: Within 4 months from 1 January 2023

The share-based payment expense is recorded over the requisite service period, which is the vesting period. The expense recognised in profit or loss for the Performance Share Plan during the year is $44,343.

Summarised information regarding the share-based payment activity and amounts for the director and employees of the Company for the year ended 31 December 2021 is as follows:

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 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

7. FINANCE COSTS

	Group 2021 $	Group 2020 $
Interest expense on borrowings	**119,492**	63,207
Interest expense on lease liabilities	**22,545**	25,930
Accretion of interest on deferred consideration	**66,312**	38,111
	208,349	127,248

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. LOSS BEFORE TAX

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

	Group	
	2021	2020
	$	$
Audit fees		
– paid to auditors of the Group	**120,000**	110,000
Non-audit fees		
– paid to auditors of the Group	**–**	–
Amortisation of intangible assets	**415,184**	243,318
Depreciation of plant and equipment	**466,836**	452,619
Depreciation of right-of-use assets	**369,974**	300,398
Plant and equipment written off	**–**	5,198
(Gain)/loss on disposal of plant and equipment	**(213)**	9,870
Bad debts written off	**160**	22,126
Inventories written down	**–**	5,765
Inventories written off	**358,654**	58,178
(Reversal of)/accrual for unconsumed leave	**(18,148)**	37,155
Rental expenses	**19,020**	27,843
Travelling expenses	**50,500**	209,045
Professional fees (cash-settled)	**1,522,504**	1,868,596
Professional fees (equity-settled)	**61,969**	579,222
Sales and marketing expenses	**64,940**	108,058
Foreign exchange (gain)/loss, net	**(81,198)**	545,420
Repairs and maintenance	**109,547**	75,901
Delivery charges	**36,167**	23,896

Research and development expense

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 2021 and 2020 are:

	Group	
	2021	2020
	$	$
Current income tax	**–**	–
Deferred income tax		
– Origination and reversal of temporary differences (Note 25)	**(56,587)**	(33,009)
Income tax credit recognised in profit or loss	**(56,587)**	(33,009)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 2021 and 2020 is as follows:

	Group	
	2021	2020
	$	$
Loss before tax	**(6,040,981)**	(4,683,811)
Tax at the domestic rates applicable to profits in the countries where the Group operates	**(1,115,146)**	(796,721)
Non-deductible expenses	**101,825**	483,629
Income not subject to taxation	**(7,961)**	(50,285)
Deferred tax asset not recognised	**964,695**	330,368
	(56,587)	(33,009)

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	
	2021	2020
	$	$
Loss for the year, net of tax, attributable to owners of the Company used in the computations of basic and diluted loss per share	**(5,984,394)**	(4,650,802)
Weighted average number of shares for basic loss per share computation[1]	**264,992,471**	257,466,000
Effects of dilution:		
– Share awards pursuant to Biolidics Performance Share Plan	**112,100**	484,524
– Share awards granted as consideration in lieu of fees for the services rendered by third party individuals	**102,600**	145,476
Weighted average number of shares for diluted loss per share computation	**265,207,171**	258,096,000
Basic loss per share (cents)	**(2.26)**	(1.81)
Diluted loss per share (cents)	**(2.26)**	(1.80)

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 2021

11. PLANT AND EQUIPMENT

Group	Computer and office equipment $	Laboratory equipment $	Testing and trial equipment $	Production, tooling and mould equipment $	Renovation and furniture and fittings $	Total $
Cost:						
At 1 January 2020	117,752	591,884	1,170,910	779,064	261,282	2,920,892
Acquisition of a subsidiary	5,826	9,267	–	–	102,177	117,270
Additions	131,758	120,888	–	61,720	10,355	324,721
Transfer from inventories	–	–	70,334	–	–	70,334
Disposals	(18,315)	(2,420)	(125,852)	–	–	(146,587)
Write-off	–	–	(81,436)	–	–	(81,436)
Transfer to inventories	–	–	(14,067)	–	–	(14,067)
At 31 December 2020 and 1 January 2021	237,021	719,619	1,019,889	840,784	373,814	3,191,127
Additions	72,537	141,240	–	2,524	211,992	428,293
Transfer from inventories	–	–	70,334	–	–	70,334
Disposals	–	(6,900)	(47,588)	–	–	(54,488)
At 31 December 2021	**309,558**	**853,959**	**1,042,635**	**843,308**	**585,806**	**3,635,266**
Accumulated depreciation and impairment:						
At 1 January 2020	78,580	300,163	963,983	692,233	151,060	2,186,019
Charge for the year	29,855	156,823	122,897	48,024	95,020	452,619
Disposals	(17,765)	(2,420)	(116,532)	–	–	(136,717)
Write-off	–	–	(76,238)	–	–	(76,238)
Transfer to inventories	–	–	(6,252)	–	–	(6,252)
At 31 December 2020 and 1 January 2021	90,670	454,566	887,858	740,257	246,080	2,419,431
Charge for the year	66,845	159,167	88,379	48,756	103,689	466,836
Disposals	–	(6,135)	(47,588)	–	–	(53,723)
At 31 December 2021	**157,515**	**607,598**	**928,649**	**789,013**	**349,769**	**2,832,544**
Carrying amount:						
At 31 December 2020	146,351	265,053	132,031	100,527	127,734	771,696
At 31 December 2021	**152,043**	**246,361**	**113,986**	**54,295**	**236,037**	**802,722**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. PLANT AND EQUIPMENT (CONTINUED)

Company	Computer and office equipment $	Laboratory equipment $	Testing and trial equipment $	Production, tooling and mould equipment $	Renovation and furniture and fittings $	Total $
Cost:						
At 1 January 2020	117,752	591,884	1,170,910	779,064	261,282	2,920,892
Additions	131,758	120,888	–	61,720	10,355	324,721
Transfer from inventories	–	–	70,334	–	–	70,334
Disposals	(18,315)	(2,420)	(125,852)	–	–	(146,587)
Write-off	–	–	(81,436)	–	–	(81,436)
Transfer to inventories	–	–	(14,067)	–	–	(14,067)
At 31 December 2020 and 1 January 2021	231,195	710,352	1,019,889	840,784	271,637	3,073,857
Additions	27,838	1,290	–	2,524	–	31,652
Transfer from inventories	–	–	70,334	–	–	70,334
Disposals	–	(6,900)	(47,588)	–	–	(54,488)
At 31 December 2021	**259,033**	**704,742**	**1,042,635**	**843,308**	**271,637**	**3,121,355**
Accumulated depreciation and impairment:						
At 1 January 2020	78,580	300,163	963,983	692,233	151,060	2,186,019
Charge for the year	26,171	151,513	122,897	48,024	40,183	388,788
Disposals	(17,765)	(2,420)	(116,532)	–	–	(136,717)
Write-off	–	–	(76,238)	–	–	(76,238)
Transfer to inventories	–	–	(6,252)	–	–	(6,252)
At 31 December 2020 and 1 January 2021	86,986	449,256	887,858	740,257	191,243	2,355,600
Charge for the year	60,453	152,536	88,380	48,756	42,388	392,513
Disposals	–	(6,134)	(47,589)	–	–	(53,723)
At 31 December 2021	**147,439**	**595,658**	**928,649**	**789,013**	**233,631**	**2,694,390**
Carrying amount:						
At 31 December 2020	144,209	261,096	132,031	100,527	80,394	718,257
At 31 December 2021	**111,594**	**109,084**	**113,986**	**54,295**	**38,006**	**426,965**

Impairment assessment of plant and equipment

The Group has carried out impairment assessment for plant and equipment by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 3.2 to the financial statements. Based on the impairment assessment, no impairment is required as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. INTANGIBLE ASSETS

Group	Accreditation $	Patent rights $	Trademark $	Total $
Cost:				
At 1 January 2020	–	617,591	70,131	687,722
Acquisition of a subsidiary	3,328,656	–	–	3,328,656
Additions	–	122,427	2,300	124,727
At 31 December 2020 and 1 January 2021	3,328,656	740,018	72,431	4,141,105
Additions	–	118,632	14,935	133,567
At 31 December 2021	**3,328,656**	**858,650**	**87,366**	**4,274,672**
Accumulated amortisation:				
At 1 January 2020	–	89,547	31,410	120,957
Charge for the year	194,172	43,588	5,558	243,318
At 31 December 2020 and 1 January 2021	194,172	133,135	36,968	364,275
Charge for the year	332,866	74,459	7,859	415,184
At 31 December 2021	**527,038**	**207,594**	**44,827**	**779,459**
Carrying amount:				
At 31 December 2020	3,134,484	606,883	35,463	3,776,830
At 31 December 2021	**2,801,618**	**651,056**	**42,539**	**3,495,213**

Company	Patent rights $	Trademark $	Total $
Cost:			
At 1 January 2020	617,591	70,131	687,722
Additions	122,427	2,300	124,727
At 31 December 2020 and 1 January 2021	740,018	72,431	812,449
Additions	118,632	14,935	133,567
At 31 December 2021	**858,650**	**87,366**	**946,016**
Accumulated amortisation:			
At 1 January 2020	89,547	31,410	120,957
Charge for the year	43,588	5,558	49,146
At 31 December 2020 and 1 January 2021	133,135	36,968	170,103
Charge for the year	74,459	7,859	82,318
At 31 December 2021	**207,594**	**44,827**	**252,421**
Carrying amount:			
At 31 December 2020	606,883	35,463	642,346
At 31 December 2021	**651,056**	**42,539**	**693,595**

Accreditation, patent and trademark

Accreditation relates to College of American Pathologists ("CAP")-accredited clinical laboratory and has an average remaining amortisation period of 8 years (2020: 9 years).

Patent rights and trademark relate to ClearCell® FX1 System and CTChip® FR1 biochip and have an average remaining amortisation period of 6 years (2020: 7 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. INTANGIBLE ASSETS (CONTINUED)

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, no impairment is required as at 31 December 2021.

13. GOODWILL

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

	2021 $	2020 $
Carrying amount:		
At 1 January	**625,983**	–
Goodwill arising from acquisition	**–**	625,983
At 31 December	**625,983**	625,983

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:

	2021 $	2020 $
Laboratory services	**625,983**	625,983

The recoverable amount of the CGU has been determined using income method based on cash flow projection from financial budgets approved by management covering a five-year period. The projected revenue of the CGU was based on the budgeted revenue from PCR services which started in FY2022, and was projected to grow at a rate of 3% in the next 4 years. 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 are as follows:

	2021	2020
Terminal growth rate	**1%**	1%
Post-tax discount rate	**15%**	13%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. GOODWILL (CONTINUED)

Key assumptions used in the value in use calculation

The calculations of value in use for the CGU are most sensitive to the following assumptions:

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

Sensitivity to changes in assumptions

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

14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	**2020**
	$	**$**
Unquoted equity shares, at cost	**4,968,343**	5,045,994

The Company injected additional capital of $135,560 into Biolidics (Shanghai) Co., Ltd during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of subsidiary	Principal place of business	Principal activities	Proportion of ownership interest 2021 %	2020 %
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

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

On 26 May 2020, the Group completed the acquisition of the entire issued and paid-up share capital of Biomedics Laboratory Pte. Ltd. ("Biomedics Lab") 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 Biomedics Lab as security for the payment of the consideration. Following the completion of acquisition, Biomedics Lab became a subsidiary of the Group.

Deferred consideration

On 24 December 2021, the Group and the seller of Biomedic Lab, 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 Biomedic 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 the remaining $3,300,000 of the deferred consideration shall be payable no later than 25 May 2023, being 36 months from the date of completion of the Acquisition. The movement of deferred consideration during the year is as follows:

	2021 $	2020 $
At beginning of the financial year	**3,506,955**	–
At acquisition	**–**	3,468,844
Accretion of interest	**66,312**	38,111
Payment of deferred consideration	**(300,000)**	–
Gain from remeasurement of deferred consideration	**(59,689)**	–
At end of the financial year	**3,213,578**	3,506,955

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

	Fair value recognised on acquisition $
Plant and equipment	117,270
Right-of-use assets	247,705
Intangible assets	3,328,656
Cash and cash equivalents	10,021
Trade receivables	3,594
Prepayments	4,565
Other receivables	13,141
Inventories	66,653
Total assets	3,791,605
Trade payables	37,892
Other payables	10,565
Lease liabilities	229,426
Provision for reinstatement cost	4,990
Deferred tax liabilities	565,871
Total liabilities	848,744
Total identifiable net assets at fair value	2,942,861
Goodwill arising from acquisition	625,983
Fair value of purchase consideration at acquisition	3,568,844
Consideration paid and fair value as at the date of acquisition during the financial year ended 31 December 2020	
Cash paid	100,000
Fair value of deferred consideration	3,468,844
Fair value of purchase consideration at acquisition	3,568,844

Effect of the acquisition on cash flows

	2020 $
Consideration settled in cash	100,000
Less: cash and cash equivalents of subsidiary acquired	(10,021)
Net cash outflow on acquisition	89,979

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Impairment assessment of investments in subsidiaries

The Company has carried out impairment assessments for investments in subsidiaries as at the year-end. As a result, the Company recognised an impairment loss of $213,211 on its investment in Biolidics (Shanghai) Co., Ltd. (Biolidics Shanghai) to fully impair the Company's investment in Biolidics Shanghai.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	**2021**	2020
	$	$	**$**	$
Cash at banks	**2,578,641**	7,484,005	**2,432,315**	7,273,251
Cash on hand	**643**	672	**643**	672
Short-term deposits	**1,380,316**	3,184,784	**–**	1,750,000
	3,959,600	10,669,461	**2,432,958**	9,023,923

Short-term deposits earn interest at the respective short-term deposit rates. The weighted average effective interest rate for short-term deposits is 0.06% (2020: 1.14%) per annum.

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

	Group		Company	
	2021	2020	**2021**	2020
	$	$	**$**	$
United States Dollar	**1,277,573**	4,676,247	**1,277,573**	4,676,247
Euro	**66,849**	34,157	**66,849**	34,157
Pound Sterling	**55,495**	54,917	**55,495**	54,917

16. TRADE RECEIVABLES

	Group		Company	
	2021	2020	**2021**	2020
	$	$	**$**	$
Trade receivables:				
– third parties	**126,842**	201,741	**90,759**	176,294
– subsidiary	**–**	–	**210,436**	181,970
	126,842	201,741	**301,195**	358,264
Allowance for expected credit losses	**–**	–	**(210,436)**	–
	126,842	201,741	**90,759**	358,264

Trade receivables – third parties

Trade receivables due from third parties are non-interest bearing and are generally on 30 days' (2020: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. TRADE RECEIVABLES (CONTINUED)

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% (2020: 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	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
United States Dollar	**33,117**	9,858	**192,410**	191,828
Euro	**23,381**	118,664	**23,381**	118,664

Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to $54,797 as at 31 December 2021 (2020: $91,494) 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	
	2021	**2020**
	$	**$**
Trade receivables past due but not impaired:		
– lesser than 30 days	**5,863**	19,091
– 30 to 60 days	**18,825**	42,154
– 61 to 90 days	**6,843**	16,645
– 91 to 120 days	**1,818**	4,770
– more than 120 days	**21,448**	8,834
	54,797	91,494

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. TRADE RECEIVABLES (CONTINUED)

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

	Group	
	2021	2020
	$	$
Movement in allowance accounts:		
At 1 January and 31 December	**–**	–

	Company	
	2021	2020
	$	$
Movement in allowance accounts:		
At 1 January	**–**	–
Charge for the year	**(210,436)**	–
At 31 December	**(210,436)**	–

In addition to the allowance for expected credit loss, the Group recorded $160 (2020: $22,126) of trade receivables written off during the financial year ended 31 December 2021. The Company recorded allowance for expected credit losses of $210,436 of trade receivables from a subsidiary due to uncertainty of recoverability.

17. OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Refundable deposits	**35,420**	102,166	**21,720**	88,466
Goods and Services Tax receivable	**38,836**	6,768	**21,304**	5,879
Accrued interest	**29**	43	**–**	–
Grant receivable	**61,312**	31,315	**61,312**	31,315
Other receivables:				
– third parties	**86,079**	53,175	**83,379**	53,175
– subsidiary	**–**	–	**1,773,214**	285,000
– shareholder	**–**	3,698	**–**	3,698
	221,676	197,165	**1,960,929**	467,533
Add: Cash and cash equivalents	**3,959,600**	10,669,461	**2,432,958**	9,023,923
Add: Trade receivables	**126,842**	201,741	**90,759**	358,264
Less: Goods and Services Tax receivable	**(38,836)**	(6,768)	**(21,304)**	(5,879)
Less: Grant receivable	**(61,312)**	(31,315)	**(61,312)**	(31,315)
Total financial assets carried at amortised cost	**4,207,970**	11,030,284	**4,402,030**	9,812,526

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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.

18. INVENTORIES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Balance sheet:				
Finished goods	**1,214,185**	1,346,574	**1,079,734**	1,325,127
Spare parts	**294,036**	263,437	**294,036**	263,437
	1,508,221	1,610,011	**1,373,770**	1,588,564
Income statement:				
Inventories recognised as an expense in raw materials and consumables used	**1,831,146**	5,462,677	**1,757,868**	5,365,158
Inclusive of the following charge:				
– Inventories written down	**–**	5,765	**–**	5,765
– Allowance for inventories	**66,627**	18,941	**66,627**	18,941
Inventories recognised as an expense in other expenses				
– Inventories written off	**358,654**	58,178	**348,528**	–

19. TRADE PAYABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Trade payables:				
– third parties	**75,777**	132,315	**12,840**	119,011
– related party[1]	**8,779**	11,126	**9,521**	11,126
	84,556	143,441	**22,361**	130,137

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. TRADE PAYABLES (CONTINUED)

Trade payables – third parties

These amounts are non-interest bearing and are normally settled on 30 days' (2020: 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	
	2021	2020	2021	2020
	$	$	$	$
United States Dollar	**2,144**	2,600	**2,631**	1,851

20. OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Accruals	**522,135**	514,780	**411,000**	504,598
Advances from third parties	**26,496**	107,269	**26,496**	107,269
Amounts due to related parties[(1)]	**26,900**	–	**18,668**	–
Provision for warranty services	**2,500**	26,440	**2,500**	26,440
Others	**351,452**	132,719	**338,820**	132,719
	929,483	781,208	**797,484**	771,026
Add: Trade payables	**84,556**	143,441	**22,361**	130,137
Add: Lease liabilities	**485,539**	642,861	**274,676**	424,325
Add: Borrowings	**3,763,544**	4,632,850	**3,763,544**	4,632,850
Add: Deferred consideration	**3,213,578**	3,506,955	**3,213,578**	3,506,955
Less: Provision for warranty services	**(2,500)**	(26,440)	**(2,500)**	(26,440)
Less: Advances from third parties	**(26,496)**	(107,269)	**(26,496)**	(107,269)
Total financial liabilities carried at amortised cost	**8,447,704**	9,573,606	**8,042,647**	9,331,584

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. CONTRACT LIABILITIES

	Group and Company	
	2021	**2020**
	$	**$**
Sale of extended warranty services[1]	**–**	35,607
Amount received in advance of delivery of goods[2]	**128,673**	148,432
Sale of preventive maintenance services[3]	**–**	926
	128,673	184,965

(1) Revenue from sale of extended warranty services is recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for revenue relating to the warranty services at the time of the initial sales transaction and is recognised as revenue over the period the warranty services are provided.

(2) For goods sold, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods is being delivered to the customer. When the Group 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.

	Group and Company	
	2021	**2020**
	$	**$**
Analysed as:		
Current[1]	**128,673**	184,965
Non-current[2]	**–**	–
	128,673	184,965

(1) Included in the current portion is the full amount of $128,673 (2020: $148,432) 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 $Nil (2020: $36,533) relates to warranty and preventive maintenance services for periods due within 1 year from the date of financial statements.

(2) Included in the non-current portion is the sale of extended warranty services for which for warranty periods extend beyond 1 year from the date of financial statements.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities are explained as follows:

	Group and Company	
	2021	**2020**
	$	**$**
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
– Sale of extended warranty services	**35,607**	59,507
– Amount received in advance of delivery of goods	**57,556**	47,718
– Sale of preventive maintenance services	**926**	17,095
	94,089	124,320

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 $124,701 (2020: $91,751) during the financial year.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group	**Office and warehouse premises and laboratory space**	**Office and laboratory equipment**	**Total**
	$	**$**	**$**
At 1 January 2020	178,092	423,858	601,950
Acquisition of a subsidiary	33,553	214,152	247,705
Additions	85,082	6,669	91,751
Depreciation expense	(106,302)	(194,096)	(300,398)
Termination of lease	(5,934)	–	(5,934)
At 31 December 2020 and 1 January 2021	184,491	450,583	635,074
Additions	104,657	20,044	124,701
Depreciation expense	(128,711)	(241,263)	(369,974)
At 31 December 2021	**160,437**	**229,364**	**389,801**

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, no impairment is required as at 31 December 2021.

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

Group	**2021**	**2020**
	$	**$**
At 1 January	**642,861**	536,628
Acquisition of a subsidiary	**–**	229,426
Additions	**124,701**	91,751
Accretion of interest	**22,545**	25,930
Payments	**(299,068)**	(230,093)
Accrued lease payments	**(5,500)**	(4,746)
Termination of lease	**–**	(6,035)
At 31 December	**485,539**	642,861
Analysed as:		
Current	**253,167**	264,953
Non-current	**232,372**	377,908
	485,539	642,861

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22. LEASES (CONTINUED)

Group as a lessee (Continued)

Impairment assessment of right-of-use assets (Continued)

A maturity analysis of lease liabilities is as follows:

Group	Interest rate %	Maturity	2021 $	2020 $
Current portion of lease liabilities	2.08 – 5.25 (2020: 2.08 – 5.25)	2022 (2020: 2021)	**253,167**	264,953
Non-current portion of lease liabilities	2.08 – 5.25 (2020: 2.08 – 5.25)	2023 – 2024 (2020: 2022 – 2024)	**232,372**	377,908
			485,539	642,861

The following are the amounts recognised in profit or loss:

	Group 2021 $	Group 2020 $
Depreciation of right-of-use assets	**369,974**	300,398
Interest expense on lease liabilities	**22,545**	25,930
Expense relating to short-term leases (included in other expenses)	**19,020**	27,843
Total amount recognised in profit or loss	**411,539**	354,171

The Group had total cash outflows for leases of $318,088 in 2021 (2020: $257,936). The Group also had non-cash additions to right-of-use assets and lease liabilities of $124,701 in 2021 (2020: $91,751). The future cash outflows relating to leases that had not yet commenced are disclosed in Note 29 to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22. LEASES (CONTINUED)

Company as a lessee (Continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Company	Office and warehouse premises $	Office and laboratory equipment $	Total $
At 1 January 2020	178,092	423,858	601,950
Additions	32,553	–	32,553
Depreciation expense	(72,749)	(155,429)	(228,178)
Termination of lease	(5,934)	–	(5,934)
At 31 December 2020 and 1 January 2021	131,962	268,429	400,391
Depreciation expense	(76,182)	(155,429)	(231,611)
At 31 December 2021	**55,780**	**113,000**	**168,780**

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

Company	2021 $	2020
At 1 January	**424,325**	536,628
Additions	**–**	32,553
Accretion of interest	**15,419**	21,232
Payments	**(165,068)**	(160,053)
Termination of lease	**–**	(6,035)
At 31 December	**274,676**	424,325
Analysed as:		
Current	**135,388**	149,649
Non-current	**139,288**	274,676
	274,676	424,325

A maturity analysis of lease liabilities is as follows:

Company	Interest rate %	Maturity	2021 $	2020 $
Current portion of lease liabilities	2.08 – 5.25 (2020: 2.08 – 5.25)	2022 (2020: 2021)	**135,388**	149,649
Non-current portion of lease liabilities	2.08 – 5.25 (2020: 2.08 – 5.25)	2023 – 2024 (2020: 2022 – 2024)	**139,288**	274,676
			274,676	424,325

NOTES TO THE FINANCIAL STATEMENTS

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23. BORROWINGS

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

Group and Company	2021 $	2020 $
At 1 January 2021	**4,632,850**	–
Additions	**–**	5,000,000
Accretion of interest	**119,492**	63,207
Payments	**(988,798)**	(430,357)
At 31 December 2021	**3,763,544**	4,632,850
Analysed as:		
Current	**1,020,824**	869,337
Non-current	**2,742,720**	3,763,513
	3,763,544	4,632,850

A maturity analysis of borrowings is as follows:

Group and Company	Effective interest rate	Maturity	2021 $	2020 $
Current portion of bank loans	2.50 – 3.00	2021	**1,020,824**	869,337
Non-current portion of bank loans	2.50 – 3.00	2022 – 2025	**2,742,720**	3,763,513
			3,763,544	4,632,850

24. DEFERRED GRANT INCOME

Deferred grant income relates to government grants to provide wage support to the Group to retain local employees during the period of economic uncertainty (“JSS Grant”). The amount of JSS Grant income recognised in profit or loss has been recorded as other income in the statement of comprehensive income. The Group’s entitlement to government grants as at 31 December 2021, net of receipts, is presented as grant receivable and included in other receivables (Note 17).

25. DEFERRED TAX LIABILITIES

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

	Group	
	2021 $	2020 $
Balance as at 1 January	**532,862**	–
Deferred tax liabilities arising from the acquisition of a subsidiary	**–**	565,871
Reversed to profit or loss (Note 9)	**(56,587)**	(33,009)
Balance as at 31 December	**476,275**	532,862

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. DEFERRED TAX LIABILITIES (CONTINUED)

As at 31 December 2021, the Group has unutilised tax losses and unabsorbed capital allowances amounting to approximately $48,363,000 (2020: $43,163,000) and $1,075,000 (2020: $752,000) 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:

	2021 $	2020 $
Expiring in:		
Year 2024	**5,351**	5,351
Year 2025	**74,205**	71,898
Year 2026	**236,552**	–

26. SHARE CAPITAL

	Group and Company			
	2021		2020	
	No. of shares	$	No. of shares	$
Issued and fully paid ordinary shares:				
At the beginning of the year	**264,047,000**	**58,334,738**	242,500,000	53,798,878
Share issuance during the year	**1,404,700**	**547,833**	21,547,000	4,563,860
Share issuance expense	**–**	**–**	–	(28,000)
At the end of the year	**265,451,700**	**58,882,571**	264,047,000	58,334,738

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.

Notes:

(1) On 27 March 2020, the Company issued 17,858,000 ordinary shares ("**Placement Shares**") at the price of $0.175 for each Placement Share, amounting to an aggregate placement consideration of approximately $3.1 million.

(2) On 19 August 2020, the Company issued 2,521,000 ordinary shares pursuant to the Company's performance share plan. Please refer to Note 6 for more information.

(3) On 31 August 2020, the Company issued 1,168,000 ordinary shares as consideration in lieu of fees for the services rendered by third party individuals to the Group. Please refer to Note 27 for more information.

(4) On 30 April 2021, the Company issued 1,011,200 ordinary shares pursuant to the Company's performance share plan. Please refer to Note 6 for more information.

(5) On 30 April 2021, the Company issued 393,500 ordinary shares as consideration in lieu of fees for the services rendered by third party individuals to the Group. Please refer to Note 27 for more information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 ending 31 December 2022
Payout	0% – 150% depending on the achievement of specified performance targets over the respective performance period and requisite service period: (i) Tranche 1A: Within 4 months from 1 January 2021 (ii) Tranche 2A: Within 4 months from 1 January 2022 (iii) Tranche 3A: Within 4 months from 1 January 2023

The share-based payment expense is recorded over the requisite service period, which is the vesting period. The expense recognised in profit or loss for the share awards granted to third party individuals during the year is $61,969.

Summarised information regarding the share-based payment activity and amounts for the third party individuals for the year ended 31 December 2021 is as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Subsidiaries of a shareholder of the Company				
Rental expenses	**(54,000)**	(39,125)	**–**	(7,625)
Receipt of management and support services	**(44,697)**	(42,920)	**–**	(42,920)
Rendering of laboratory services	**24,049**	19,420	**–**	–
Sale of COVID-19 products	**–**	5,264,936	**–**	5,264,936
Recharge of expenses to the Group and Company	**(26,057)**	(51,000)	**(4,822)**	(39,627)
Recharge of expenses from the Group and Company	**–**	39,229	**–**	38,466
Company related to a director of the Company				
Purchases of inventories	**(14,549)**	(85,645)	**(14,549)**	(85,645)
Purchase of packaging and labelling service	**(20,709)**	(182,939)	**(20,709)**	(182,939)
Shareholder of the Company				
Secondment of staff	**(89,655)**	(143,852)	**(89,655)**	(143,852)
Recharge of expenses to the Group and Company	**(5,010)**	(583)	**(5,010)**	(583)
Recharge of expenses from the Group and Company	**–**	3,698	**–**	3,698

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of directors and key management personnel

Directors and key management personnel compensation included in employee benefits expense comprise:

	Group and Company	
	2021	**2020**
	$	**$**
Short-term benefits	**831,714**	729,276
Employer's contribution to defined contribution plans	**54,253**	45,475
Share-based payment	**213,485**	1,224,961
	1,099,452	1,999,712

The compensation of directors and key management is determined by the board of directors having regard to the performance of individuals.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) *Credit risk (Continued)*

Trade receivables

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

The assessment of the credit quality and exposure to credit risk of the Group's trade receivables has been disclosed in Note 16 to the financial statements.

As disclosed in Note 16, no expected credit loss has been recorded by the Group as at 31 December 2021 and 2020.

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.

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			
	2021		2020	
	$	% of	$	% of
By country:				
Singapore	**43,314**	**34%**	25,483	13%
France	**21,727**	**17%**	45,090	22%
Taiwan	**15,176**	**12%**	–	–
Indonesia	**12,120**	**10%**	–	–
United Kingdom	**11,216**	**9%**	–	–
Other countries	**7,665**	**6%**	71	n.m.
Thailand	**5,778**	**4%**	7,811	4%
Japan	**4,280**	**3%**	29,601	15%
Philippines	**3,913**	**3%**	15,225	8%
Czech Republic	**675**	**1%**	69,451	34%
Denmark	**978**	**1%**	4,051	2%
United States of America	**–**	**–**	4,958	2%
Total	**126,842**	**100%**	201,741	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Credit risk concentration profile (Continued)

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 51% (2020: 56%) of the Group's trade receivables was due from 2 (2020: 2) customers, which amounted to $64,580 (2020: $114,541).

Apart from the above, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As at 31 December 2021, the Group's net current assets amounted to $3,693,428 (2021: $10,653,786) with a cash position of $3,959,600 (2020: $10,669,461). Management is of the opinion that the Group and Company will have sufficient cash flows to be able to meet its liabilities and other obligations as and when they fall due for the next twelve months.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2021 One year or less $	One to five years $	Total $
Group			
Financial assets			
Trade receivables	**126,842**	**–**	**126,842**
Other receivables	**121,528**	**–**	**121,528**
Cash and cash equivalents	**3,959,600**	**–**	**3,959,600**
Total undiscounted financial assets	**4,207,970**	**–**	**4,207,970**
Financial liabilities			
Trade payables	**84,556**	**–**	**84,556**
Other payables	**900,487**	**–**	**900,487**
Lease liabilities	**348,651**	**296,849**	**645,500**
Borrowings	**1,112,719**	**2,844,582**	**3,957,301**
Deferred consideration	**–**	**3,300,000**	**3,300,000**
Total undiscounted financial liabilities	**2,446,413**	**6,441,431**	**8,887,844**
Total net undiscounted financial assets/(liabilities)	**1,761,557**	**(6,441,431)**	**(4,679,874)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	2020		
	One year or less $	One to five years $	Total $
Group			
Financial assets			
Trade receivables	201,741	–	201,741
Other receivables	159,082	–	159,082
Cash and cash equivalents	10,669,461	–	10,669,461
Total undiscounted financial assets	11,030,284	–	11,030,284
Financial liabilities			
Trade payables	143,441	–	143,441
Other payables	647,499	–	647,499
Lease liabilities	286,568	394,140	680,708
Borrowings	988,798	3,957,482	4,946,280
Deferred consideration	–	3,600,000	3,600,000
Total undiscounted financial liabilities	2,066,306	7,951,622	10,017,928
Total net undiscounted financial assets/(liabilities)	8,963,978	(7,951,622)	1,012,356

	2021		
	One year or less $	One to five years $	Total $
Company			
Financial assets			
Trade receivables	**90,759**	**–**	**90,759**
Other receivables	**1,878,313**	**–**	**1,878,313**
Cash and cash equivalents	**2,432,958**	**–**	**2,432,958**
Total undiscounted financial assets	**4,402,030**	**–**	**4,402,030**
Financial liabilities			
Trade payables	**22,361**	**–**	**22,361**
Other payables	**768,488**	**–**	**768,488**
Lease liabilities	**215,151**	**198,811**	**413,962**
Borrowings	**1,112,719**	**2,844,582**	**3,957,301**
Deferred consideration	**–**	**3,300,000**	**3,300,000**
Total undiscounted financial liabilities	**2,118,719**	**6,343,393**	**8,462,112**
Total net undiscounted financial assets/(liabilities)	**2,283,311**	**(6,343,393)**	**(4,060,082)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	2020		
	One year or less $	**One to five years $**	**Total $**
Company			
Financial assets			
Trade receivables	358,264	–	358,264
Other receivables	430,339	–	430,339
Cash and cash equivalents	9,023,923	–	9,023,923
Total undiscounted financial assets	9,812,526	–	9,812,526
Financial liabilities			
Trade payables	130,137	–	130,137
Other payables	637,317	–	637,317
Lease liabilities	165,068	288,002	453,070
Borrowings	988,798	3,957,482	4,946,280
Deferred consideration	–	3,600,000	3,600,000
Total undiscounted financial liabilities	1,921,320	7,845,484	9,766,804
Total net undiscounted financial assets/(liabilities)	7,891,206	(7,845,484)	45,722

(c) Foreign currency risk

The Group transacts its business in various foreign currencies, including the United States Dollar ("US Dollar"), Euro, and Pound Sterling, and is therefore exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group			
	Liabilities		Assets	
	2021 $	**2020 $**	**2021 $**	**2020 $**
US Dollar	**11,870**	13,718	**1,310,690**	4,686,106
Euro	**–**	–	**90,230**	152,822
Pound Sterling	**–**	–	**55,495**	54,917

	Company			
	Liabilities		Assets	
	2021 $	**2020 $**	**2021 $**	**2020 $**
US Dollar	**12,357**	12,969	**1,469,983**	4,868,076
Euro	**–**	–	**90,230**	152,822
Pound Sterling	**–**	–	**55,495**	54,917

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) *Foreign currency risk (Continued)*

Foreign currency sensitivity

The following table details the sensitivity to a 1% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. If the relevant foreign currency strengthens by 1% against the functional currency of each group entity, net loss for the year will (increase)/decrease by:

	Group	
	2021	**2020**
	$	**$**
US Dollar impact	**12,988**	46,724
Euro impact	**902**	1,528
Pound Sterling impact	**555**	549

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the equity balance. The capital structure of the Group consists of equity attributable to owners of the parent, comprising share capital and reserves.

The Group's capital management objectives are to safeguard its ability to continue as a going concern and to maximise shareholder value. Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt.

The Group's overall strategy remains unchanged from the prior year.

31. SEGMENT INFORMATION

For management purposes and resource allocation, the Group is organised into business operating units based on reports reviewed by the management team that are used to make strategic decisions.

During the year, the Group expanded its business to include two new business segments comprising the Infectious diseases and Laboratory services. This forms the basis of identifying the segments of the Group under SFRS(I) 8 *Operating Segments* as follows and accordingly, the comparative figures in the segment reporting have been re-presented to reflect the identified segmental performance:

(a) *Cancer*

The cancer segment involves the identifying and assessing potential collaboration partners, technology, products and services, product development, innovation and improvement and the management of global distributorship network and direct customers in the cancer field.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. SEGMENT INFORMATION (CONTINUED)

(b) Infectious diseases

The infectious diseases segment involves the identifying and assessing potential collaboration partners, technology, products and services, product development, innovation and improvement and the management of global distributorship network and direct customers in the infectious diseases field.

(c) Laboratory services

The laboratory services segment involves the business, operation and provision of laboratory services to customers.

(d) Corporate segment

The corporate segment involves the corporate functions in supporting the operations of the entire Group. The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2 to the financial statements. Segment profit represents the profit earned by each segment without allocation of other gains and losses, distribution and selling expenses, administrative expenses, finance income and finance cost. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Cancer $	Infectious diseases $	Laboratory services $	Corporate segment $	Total $
2021					
Revenue:					
External customers	**337,496**	**1,812,970**	**163,770**	**–**	**2,314,236**
Inter-segment	**–**	**–**	**–**	**–**	**–**
Total revenue	**337,496**	**1,812,970**	**163,770**	**–**	**2,314,236**
Segment results:					
Other income	**–**	**–**	**–**	**378,212**	**378,212**
Employee benefits expense	**(138,968)**	**(132,084)**	**(335,456)**	**(1,040,243)**	**(1,646,751)**
Depreciation expense	**(461,377)**	**–**	**(212,686)**	**(162,747)**	**(836,810)**
Amortisation expense	**(82,318)**	**–**	**(332,866)**	**–**	**(415,184)**
Research and development expense	**(873,467)**	**(217,443)**	**–**	**–**	**(1,090,910)**
Other expenses	**(195,895)**	**(288,510)**	**(548,139)**	**(1,671,735)**	**(2,704,279)**
Finance costs	**–**	**–**	**(7,125)**	**(201,224)**	**(208,349)**
Segment loss before tax	**(1,595,031)**	**(402,696)**	**(1,345,517)**	**(2,697,737)**	**(6,040,981)**
Income tax credit	**–**	**–**	**56,587**	**–**	**56,587**
Segment loss after tax	**(1,595,031)**	**(402,696)**	**(1,288,930)**	**(2,697,737)**	**(5,984,394)**
Assets:					
Additions to non-current assets	**137,381**	**–**	**396,640**	**27,839**	**561,860**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. SEGMENT INFORMATION (CONTINUED)

(d) Corporate segment (Continued)

Segment revenue and results (Continued)

	Cancer $	Infectious diseases $	Laboratory services $	Corporate segment $	Total $
2020					
Revenue:					
External customers	1,061,202	7,806,886	39,280	–	8,907,368
Inter-segment	–	–	–	–	–
Total revenue	1,061,202	7,806,886	39,280	–	8,907,368
Segment results:					
Other income	–	–	3,690	620,754	624,444
Employee benefits expense	(193,406)	(137,956)	(38,949)	(2,365,527)	(2,735,838)
Depreciation expense	(490,706)	–	(136,052)	(126,259)	(753,017)
Amortisation expense	(49,146)	–	(194,172)	–	(243,318)
Research and development expense	(715,300)	(162,089)	–	–	(877,389)
Other expenses	(415,272)	(559,501)	(227,347)	(2,803,053)	(4,005,173)
Impairment loss	–	–	–	(5,198)	(5,198)
Finance costs	–	–	(4,696)	(122,552)	(127,248)
Segment loss before tax	(1,253,262)	1,958,990	(587,704)	(4,801,835)	(4,683,811)
Income tax credit	–	–	33,009	–	33,009
Segment loss after tax	(1,253,262)	1,958,990	(554,695)	(4,801,835)	(4,650,802)
Assets:					
Additions to non-current assets	377,670	–	–	142,113	519,783

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. SEGMENT INFORMATION (CONTINUED)

(d) Corporate segment (Continued)

Geographical information

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

	Cancer		Infectious diseases		Laboratory services	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**	**$**	**$**
Segment revenue						
Singapore	**33,449**	66,824	**506,789**	2,544,306	**26,742**	5,596
Japan	**107,734**	162,855	**–**	154,000	**–**	–
China	**290**	334,822	**–**	–	**–**	–
Europe	**45,862**	235,688	**1,235,623**	43,949	**47,623**	–
United States	**–**	29,079	**–**	172,337	**–**	–
Hong Kong	**146,944**	212,950	**–**	350,253	**–**	–
Philippines	**–**	–	**–**	2,540,000	**23,625**	–
Indonesia	**–**	9,100	**62,949**	1,989,628	**–**	–
Others	**3,217**	9,884	**7,609**	12,413	**65,780**	33,684
	337,496	1,061,202	**1,812,970**	7,806,886	**163,770**	39,280

Information about major customers

Revenue from two (2020: three) major customers amounted to $1,536,798 (2020: $7,127,113), arising from sales by the Infectious diseases segment (2020: Infectious diseases segment).

32. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 11 April 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 28 MARCH 2022

Issued and paid-up share capital	:	S$47,679,737.56
Number of issued shares	:	265,451,700
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

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 28 March 2022, approximately 56.38% of the total number of issued ordinary shares of the Company was held by the public as defined in the Catalist Rules. Accordingly, Rule 723 of the Catalist Rules has been complied with.

DISTRIBUTION OF HOLDERS OF SHARES BY SIZE OF SHAREHOLDINGS AS AT 28 MARCH 2022

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	21	0.88	1,398	0.00
100 - 1,000	113	4.70	78,850	0.03
1,001 - 10,000	921	38.31	6,129,655	2.31
10,001 - 1,000,000	1,329	55.28	88,219,839	33.23
1,000,001 and above	20	0.83	171,021,958	64.43
TOTAL	**2,404**	**100.00**	**265,451,700**	**100.00**

TWENTY LARGEST HOLDERS OF SHARES AS AT 28 MARCH 2022

No.	Name of Shareholder	No. of Shares	% of Shares
1	CLEARBRIDGE BSA PTE. LTD.	60,135,400	22.65
2	SEEDS CAPITAL PTE. LTD.	25,880,800	9.75
3	TRAUWIN PTE. LIMITED	19,044,600	7.17
4	DBS NOMINEES PTE LTD	13,381,600	5.04
5	MITSUBISHI UFJ LIFE SCIENCE I, LIMITED PARTNERSHIP	9,139,900	3.44
6	LIM CHWEE TECK	7,330,600	2.76
7	IFAST FINANCIAL PTE LTD	5,293,930	1.99
8	PHILLIP SECURITIES PTE LTD	5,067,196	1.91
9	CITIBANK NOMINEES SINGAPORE PTE LTD	4,621,600	1.74
10	MAYBANK SECURITIES PTE. LTD.	3,773,032	1.42
11	DARK HORSE INVESTMENT HOLDINGS LIMITED	3,012,800	1.13
12	CHEN JOHNSON	2,748,300	1.04
13	RAFFLES NOMINEES (PTE) LIMITED	2,016,400	0.76
14	OCBC SECURITIES PRIVATE LTD	1,917,800	0.72
15	XIE TIAN	1,551,600	0.58
16	UOB KAY HIAN PTE LTD	1,343,700	0.51
17	KUIK THIAM HUAT	1,338,900	0.50
18	HSBC (SINGAPORE) NOMINEES PTE LTD	1,335,000	0.50
19	TEO CHOR KOK	1,080,000	0.41
20	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,008,800	0.38
	TOTAL	**171,021,958**	**64.40**

STATISTICS OF SHAREHOLDINGS

AS AT 28 MARCH 2022

SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2022

Name	No. of shares in which substantial Shareholders have direct interest	%	No. of shares in which substantial Shareholders are deemed to have interest	%
Clearbridge BSA Pte. Ltd.	60,135,400	22.65	-	-
Clearbridge Health Limited[(1)]	-	-	60,135,400	22.65
SEEDS Capital Pte. Ltd.	25,880,800	9.75	-	-
Enterprise Singapore Holdings Pte. Ltd.[(2)]	-	-	25,880,800	9.75
Enterprise Singapore[(2)]	-	-	25,880,800	9.75
Trauwin Pte. Limited	19,044,600	7.17	-	-
Qian Fuqing[(3)]	-	-	19,044,600	7.17
Qian Xiaojin[(3)]	-	-	19,044,600	7.17

Notes:

(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 ("**SFA**"), CBH is deemed to have an interest in the Shares held by CBSA.

(2) SEEDS Capital Pte. Ltd. ("**SEEDS Capital**") is wholly-owned by Enterprise Singapore Holdings Pte. Ltd. ("**ESH**"), which is in turn wholly-owned by Enterprise Singapore, a statutory board under the Ministry of Trade and Industry Singapore. For the purposes of Section 4 of the SFA, each of ESH and Enterprise Singapore is treated as having an interest in the Shares held by SEEDS Capital.

(3) Qian Fuqing and Qian Xiaojin hold 50.0% and 30.0%, respectively, of the issued and paid-up share capital of Trauwin Pte. Limited ("**Trauwin**"). For the purposes of Section 4 of the SFA, each of Qian Fuqing and Qian Xiaojin is treated as having an interest in the Shares held by Trauwin.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**AGM**") of Biolidics Limited (the "**Company**") will be held by way of electronic means on Thursday, 28 April 2022 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 2021 ("**FY2021**"), the directors' statement and the auditor's report thereon.
(Resolution 1)

2. To approve the payment of directors' fees of S$235,000 for the financial year ending 31 December 2022 ("**FY2022**"), payable quarterly in arrears.
(Resolution 2)

3. To re-elect Mr Chen Johnson 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.
(See Explanatory Note 1) **(Resolution 3)**

4. To re-elect Mr Gavin Mark McIntyre as a Director, who is retiring pursuant to Regulation 103 of the Constitution and who, being eligible, offers himself for re-election.
(See Explanatory Note 2) **(Resolution 4)**

5. To re-elect Mr Song Tang Yih as a Director, who is retiring pursuant to Regulation 103 of the Constitution and who, being eligible, offers himself for re-election.
(See Explanatory Note 3) **(Resolution 5)**

6. To re-elect Mr Ian David Brown as a Director, who is retiring pursuant to Regulation 103 of the Constitution and who, being eligible, offers himself for re-election.
(See Explanatory Note 4) **(Resolution 6)**

7. To re-appoint Messrs Ernst & Young LLP as auditors of the Company, and to authorise the Directors to fix their remuneration.
(Resolution 7)

8. To transact any other ordinary business which may be properly transacted at the AGM.

Special Business

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:

9. 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

NOTICE OF ANNUAL GENERAL MEETING

II. (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

provided that:

(a) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this resolution), shall not exceed 100% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company ("**Shareholders**") shall not exceed 50% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) that may be issued under sub-paragraph (a) above, the percentage of the issued Shares shall be based on the total issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the 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 8)**

10. Authority to grant awards and to allot and issue Shares pursuant to the Biolidics Performance Share Plan

"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 Biolidics Performance Share Plan (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,

NOTICE OF ANNUAL GENERAL MEETING

provide always that the aggregate number of Shares issued and issuable pursuant to the Awards granted under the PSP, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all other Shares issued and issuable and/or transferred or transferable in respect of all share options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company, shall not exceed 15% of the total issued Shares (excluding treasury shares and subsidiary holdings) from time to time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier."
(See Explanatory Note 6) **(Resolution 9)**

11. Renewal of the Interested Person Transactions Mandate

"THAT:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company and/or its subsidiaries, to enter into any of the transactions falling within the categories of the mandated transactions described in the appendix to this Notice of AGM (the "**Appendix**") with the mandated interested persons, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for the mandated transactions as set out in the Appendix (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next AGM is held or is required by law to be held, whichever is earlier;

(c) the audit committee of the Company ("**Audit Committee**") be and is hereby authorised to take such actions as it deems proper in respect of the review procedures for the mandated transactions and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and

(d) the Directors be and are hereby authorised to take such steps, approve all matters and enter into all such transactions, arrangements and agreements and execute all such documents and notices as may be necessary or expedient for the purposes of giving effect to the renewal of the IPT Mandate as such Directors or any of them may deem fit or expedient or to give effect to this ordinary resolution."
(See Explanatory Note 7) **(Resolution 10)**

By Order of the Board

Lim Sim Ving
Company Secretary
Singapore

13 April 2022

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(1) Mr Chen Johnson will, upon re-election as a Director, remain as a Non-Executive Non-Independent Director and Founder and a member of the nominating committee of the Company ("**Nominating Committee**"). Detailed information on Mr Chen 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 FY2021 ("**FY2021 Annual Report**").

(2) Mr Gavin Mark McIntyre will, upon re-election as a Director, remain as the Non-Executive Independent Chairman and Chairman of the Audit Committee. The board of Directors ("**Board**") considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr McIntyre can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the FY2021 Annual Report.

(3) Mr Song Tang Yih will, upon re-election as a Director, remain as an Executive Director and the Chief Executive Officer. 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 FY2021 Annual Report.

(4) Mr Ian David Brown will, upon re-election as a Director, remain as an Independent Director, a member of the Audit Committee, Nominating Committee and remuneration committee of the Company. The Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Brown can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the FY2021 Annual Report.

(5) The resolution 8 in item 9 above, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from Shareholders in a general meeting but within the limitation imposed by this resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this resolution) to be allotted and issued would not exceed 100% of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the time of passing of this resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this resolution) other than on a pro-rata basis to all Shareholders shall not exceed 50% of the total number of issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution.

(6) The resolution 9 in item 10 above, if passed, will empower the Directors to offer and grant Awards under the PSP, and to allot and issue Shares pursuant to the vesting of Awards granted under the PSP, provided that the aggregate number of Shares issued and issuable pursuant to the PSP, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all awards granted thereunder; and (ii) all other Shares issued and issuable and/or transferred or transferable in respect of all share options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company, shall not exceed 15% of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) of the Company from time to time.

(7) Further information in relation to the renewal of the IPT Mandate has been set out in the Appendix.

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 the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 13 April 2022 ("**AGM Alternative Arrangements Announcement**"). The AGM Alternative Arrangements Announcement, this Notice of AGM, the Appendix, the FY2021 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.

3. **Due to the current COVID-19 situation, the AGM will be held by way of electronic means and members will not be able to attend the AGM in person.** Members and investors holding shares in the Company through Supplementary Retirement Scheme ("**SRS**") ("**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 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 2022 ("**Registration Cut-Off Time**"), via the URL http://bit.ly/BiolidicsAGM2022 ("**AGM Website**").

NOTICE OF ANNUAL GENERAL MEETING

Following authentication of his/her/its status as members or SRS Investors, authenticated members and SRS 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 12.00 p.m. on 27 April 2022. Members and 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 12.00 p.m. on 27 April 2022, should contact the Company's appointed pre-registration agent, Boardroom Corporate & Advisory Services Pte Ltd by telephone at 6536 5355 during Monday to Friday, from 9.00 a.m. to 5.00 p.m. (excluding public holidays), or by email to AGM.TeamE@boardroomlimited.com.

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Act ("**Investors**") (other than SRS investors) will not be able to pre-register at the AGM Website for the "live" broadcast of the AGM. An Investors (other than SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. 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) via email to AGM.TeamE@boardroomlimited.com no later than 3.00 p.m. on 25 April 2022.

4. **Members and Investors (including SRS Investors) who pre-registers to watch the "live" webcast or listen to the "live" audio feed will not be able to ask questions "live" during the broadcast of the AGM.**

   All members and SRS investors may submit questions relating to the resolutions to be tabled for approval at the AGM **within seven (7) calendar days from this Notice of AGM**, i.e. no later than 5.00 p.m. on 20 April 2022 by email to ShareholderQueries@biolidics.com.

   The Company will endeavour to address all substantial and relevant questions received from the members and SRS Investors via the Company's website at the URL http://www.biolidics.com and the SGX 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.

   Investors (other than SRS Investors) will not be able to submit questions relating to the business of the AGM via the 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.

5. **Due to the current COVID-19 situation, a member will not be able to attend the AGM physically. A member will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM, if such member wishes to exercise his/her/its voting rights at the AGM.**

   The instrument appointing the Chairman of the AGM as proxy ("**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. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

6. The proxy form is not valid for use by Investors (including 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. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their voting instruction by 5.00 p.m. on 18 April 2022, 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, Tricor Barbinder Share Registration Services, via email to sg.is.proxy@sg.tricorglobal.com no later than 3.00 p.m. on 25 April 2022.

7. The Chairman of the AGM, as proxy, need not be a member of the Company.

8. The proxy form appointing the Chairman of the AGM as proxy 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, Tricor Barbinder Share Registration Services, located at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) if submitted electronically, must be submitted via email to ProxyFormSubmission@biolidics.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.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically.

NOTICE OF ANNUAL GENERAL MEETING

9. 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.

10. 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.

11. 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 the Chairman of the AGM as proxy 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, 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 the Chairman of the AGM as proxy 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

Name of Person	**Chen Johnson**	**Gavin Mark McIntyre**	**Song Tang Yih**	**Ian David Brown**
Date of appointment	19 July 2009	23 November 2021	1 September 2021	14 June 2021
Date of last re-appointment (if applicable)	30 April 2019	N.A.	N.A.	N.A.
Age	49	56	57	59
Country of principal residence	Singapore	Singapore	Singapore	Australia
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 experience, the board of Directors of the Company (the "**Board**"), with the recommendation of the nominating committee of the Company (the "**NC**"), approves the re-election of Mr Chen as Non-Executive Non-Independent Director.	Having reviewed his qualifications and work experience as well as his independence status, the Board, with the recommendation of the NC, approves the re-election of Mr McIntyre as Non-Executive Independent Chairman.	Having reviewed his qualifications and work experience, the Board, with the recommendation of the NC, approves the re-election of Mr Song as Executive Director and Chief Executive Officer ("**CEO**").	Having reviewed his qualifications and work experience as well as his independence status, the Board, with the recommendation of the NC, approves the re-election of Mr Brown as Independent Director.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	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.)	Non-Executive Non-Independent Director and Founder and member of the NC	Non-Executive Independent Chairman and Chairman of the Audit Committee	Executive Director and CEO	Independent Director, member of the Remuneration Committee, Audit Committee and NC
Professional qualification	Please refer to the section entitled "Board of Directors" on pages 10 to 13 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 pages 10 to 13 of this annual report for further details.			
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 2,748,300 ordinary shares in Biolidics Limited	Nil	Direct Interest: 775,800 ordinary shares in Biolidics Limited	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
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	Nil	Nil
Conflict of interests (including any competing business)	The Company purchases certain components of the CTChip(r) FR1 biochip from Hybrionic Pte Ltd ("**Hybrionic**") from time to time. Mr Chen Johnson's father, Mr Chen Chung Ni Johnny, is a director of, and holds an equity interest of approximately 93.0% in, Hybrionic. Mr. Chen Johnson is also a director of Hybrionic.	Nil	Nil	Nil
Undertaking (in the form set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments including Directorships:				
Past (for the last 5 years)	Directorships: Nil	Directorships: Nil	Directorships: Nil	Directorships: 1. Recce Pharmaceuticals Limited 2. Nohla Therapeutics Inc. 3. Activ Foundation Inc. 4. Verve InfoTEch Pty Ltd 5. iHive Foundation Ltd 6. Perth Angels Inc

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
Present	Directorships*: 1. Clearbridge Health Limited 2. CapBridge Financial Pte. Ltd. (f.k.a. Capbridge Holdings Pte. Ltd.) 3. 1X Exchange Pte. Ltd. (f.k.a. Capbridge Platform Pte. Ltd.) 4. Capbridge Pte. Ltd. 5. Hybrionic Pte. Ltd. 6. Inbridge Holdings Limited (f.k.a. Cleabridge Holdings Limited) 7. Inbridge Ventures Pte. Ltd. (f.k.a. Clearbridge Ventures Pte Ltd) 8. 1Bridge Partners Limited (f.k.a. Clearbridge Partners Limited) 9. CapBridge CornerStone Pte Ltd (f.k.a. 1Exchange Pte. Ltd.) 10. CapBridge PSS Limited 11. CapBridge Hong Kong Limited 12. 1x Exchange PSS Limited 13. Ponte Capitis Pte Ltd	Directorships*: 1. VCPlus Limited (formerly known as Anchor Resources Limited) 2. Nico Steel Holdings Ltd 3. Equitasasia Pte Ltd 4. Equitasasia Holdings Pte Ltd 5. Equitas Financial Services Pte Ltd 6. Aegis Interaktif Asia Pte Ltd 7. Equitasasia Sdn Bhd 8. Equitasasia Limited 9. Equitasasia (Thailand) Co., Ltd Xihe Holdings group of companies 1. Xin Dun Shipping (Pte) Ltd (judicial managers appointed) 2. Xin Bo Shipping (Pte) Ltd (judicial managers appointed) 3. An He Shipping Pte Ltd (in receivership) 4. Xin Guang Shipping (Pte) Ltd (in receivership) 5. Da Guang Tankers (Pte) Ltd (judicial managers appointed) 6. Da Zhong Tankers (Pte) Ltd (judicial managers appointed) 7. Dong Sheng Tankers (Pte) Ltd (judicial managers appointed) 8. Dong Ya Tankers (Pte) Ltd (judicial managers appointed)	Directorships*: 1. Drukpa Singapore Limited	Directorships*: 1. InterGrain Pty Ltd 2. REX Ortho Pty Ltd 3. OmniBlend Innovation Pty Ltd 4. Yallingup Ventures Pty Ltd (f.k.a. Ian Brown Group Pty Ltd) 5. Britten-Brown Enterprises Pty Ltd 6. Curva Partners Pty Ltd 7. 99Conversations Pty Ltd (f.k.a. On Innovate Pty Ltd) 8. Respiradigm Pty Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
		9. Dafa Shipping (Pte) Ltd (judicial managers appointed) 10. Xin An Shipping (Pte) Ltd (judicial managers appointed) 11. Xin Kang Shipping (Pte) Ltd (judicial managers appointed) 12. Dong Jiang Tankers (Pte) Ltd (judicial managers appointed) 13. Xin Chun Shipping (Pte) Ltd (judicial managers appointed) 14. Xin Ying Shipping (Pte) Ltd (judicial managers appointed) 15. Dong Nan Tankers (Pte) Ltd (judicial managers appointed) 16. Xin Hui Shipping (Pte) Ltd (judicial managers appointed) 17. Hua Kang Shipping Pte Ltd (in creditors' voluntary liquidation) 18. Hua Guang Shipping Pte Ltd (in creditors' voluntary liquidation) 19. Hua Xin Shipping Pte Ltd (in creditors' voluntary liquidation) 20. Dong Fang Shipping & Trading (Pte) Ltd (in creditors' voluntary liquidation) 21. Hua An Shipping Pte Ltd (in creditors' voluntary liquidation)		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
		22. Nan Hai Maritime (Pte) Ltd (in creditors' voluntary liquidation) 23. Nan Sia Maritime (Pte) Ltd (in creditors' voluntary liquidation) 24. Xin Ya Shipping & Trading (Pte) Ltd (in creditors' voluntary liquidation) 25. Nan Ya Maritime (Pte) Ltd (in members' voluntary liquidation) 26. Nan Yi Maritime (Pte.) Ltd. (in creditors' voluntary liquidation) 27. An Hui Shipping Pte. Ltd. (in creditors' voluntary liquidation) 28. Nan King Maritime (Pte) Ltd (in creditors' voluntary liquidation) 29. Hua Sheng Shipping Pte. Ltd.(provisional liquidators appointed) 30. Nan Zhou Maritime (Pte.) Ltd.(provisional liquidators appointed) 31. Xin Sheng Shipping (Pte) Ltd (provisional liquidators appointed) 32. An Guang Shipping Pte Ltd (provisional liquidators appointed) 33. Da Xin Tankers (Pte) Ltd (provisional liquidators appointed) 34. Hua Zhong Shipping Pte. Ltd. (provisional liquidators appointed)		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
		35. Da Zhong Tankers (Pte) Ltd 36. Nan Chuan Maritime (Pte.) Ltd. 37. An Xing Shipping Pte Ltd		
(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	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	Yes Mr McIntyre is a nominee director for the judicial managers of Xihe Holdings Pte. Ltd. (part of the Hin Leong Group) in various companies which are engaged in the owning of ships and vessels (“**Xihe Holdings Group**”). The appointment as director into various companies of the Xihe Holdings Group is to facilitate the purposes of the judicial management which are *inter alia*, the sale of assets to repay creditors, engage in acts to protect the interest of the group subsidiaries, and eventually place various subsidiaries into voluntary or involuntary winding up.	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
		These activities are part of the overall plans to rehabilitate the core business of Xihe Holdings Group. Save as disclosed here where Mr McIntyre's actions are taken in accordance with the purposes of the judicial management, Mr McIntyre exercises no other executive powers in these companies and have no connection or dealings with the previous management/shareholders holding office prior to the appointment of the judicial managers. Xihe Holdings Pte Ltd, the holding company of the Xihe Holding Group, has now been placed in liquidation following the discharge of the judicial managers.		
(c) Whether there is any unsatisfied judgment against him?	No	No	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
(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	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	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
(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	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	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
(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	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	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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chen Johnson	Gavin Mark McIntyre	Song Tang Yih	Ian David Brown
(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?	No	No	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 10 to 13 of this annual report for further details on the other principal commitments.

APPENDIX TO THE NOTICE OF AGM

APPENDIX DATED 13 APRIL 2022

THIS APPENDIX (AS DEFINED HEREIN) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix is circulated to the shareholders of Biolidics Limited (the "**Company**") together with the Company's annual report for the financial year ended 31 December 2021 (the "**Annual Report**"). Its purpose is to provide shareholders of the Company with information relating to the proposed renewal of the IPT Mandate (as defined herein) to be tabled at the AGM (as defined herein) to be held on 28 April 2022 at 3.00 p.m. by way of electronic means.

The ordinary resolution proposed to be passed in respect of the above matter is set out in the Notice of AGM (as defined herein) enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the Company represented by physical share certificate(s), you should forward this Appendix immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. This Appendix has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Appendix, including the accuracy, completeness, or correctness of any of the statements or opinions made, or reports contained in this Appendix.

The contact person for the Sponsor is Mr Lim Hoon Khiat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.

Biolidics

BIOLIDICS LIMITED

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

APPENDIX IN RELATION TO

THE PROPOSED RENEWAL OF THE IPT MANDATE

APPENDIX TO THE NOTICE OF AGM

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ANNEX: THE IPT MANDATE

APPENDIX TO THE NOTICE OF AGM

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

"**2021 EGM**"	:	The extraordinary general meeting of the Company held on 30 April 2021
"**Act**" or "**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
"**AGM**"	:	The annual general meeting of the Company to be held on 28 April 2022 at 3.00 p.m. by way of electronic means
"**Appendix**"	:	This appendix to the Notice of AGM dated 13 April 2022 in relation to the proposed renewal of the IPT Mandate
"**associate**"	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
"**Audit Committee**"	:	The audit committee of the Company as at the date of this Appendix or from time to time, as the case may be
"**Biomedics Laboratory**"	:	Biomedics Laboratory Pte. Ltd.
"**Board**"	:	The board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be
"**Catalist**"	:	The Catalist Board of the SGX-ST
"**Catalist Rules**"	:	SGX-ST Listing Manual Section B: Rules of Catalist, as the same may be amended, varied or supplemented from time to time
"**CBH**"	:	Clearbridge Health Limited, a Controlling Shareholder as at the Latest Practicable Date
"**CBH Group**"	:	CBH, its subsidiaries and its associated companies

APPENDIX TO THE NOTICE OF AGM

"**CBM**"	:	Clearbridge Medical Group Pte. Ltd., a wholly-owned subsidiary of CBH
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**"	:	Biolidics Limited
"**Components**"	:	Has the meaning ascribed to the term in Section 2.3 (d) of the Annex to this Appendix
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15.0% or more of the voting Shares. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
"**Director**"	:	A director of the Company as at the date of this Appendix or from time to time, as the case may be
"**Distributed Products**"	:	Has the meaning ascribed to the term in Section 2.3 (a) of the Annex to this Appendix
"**Distribution Services**"	:	Has the meaning ascribed to the term in Section 2.3 (a) of the Annex to this Appendix
"**Distribution Services Agreement**"	:	The distribution services agreement dated 27 March 2020 entered into by Biomedics Laboratory with CBM, pursuant to which CBM will act as a non-exclusive distributor of Biomedics Laboratory's products and service
"**entity at risk**"	:	Has the meaning ascribed to the term in Section 1 of the Annex to this Appendix
"**FY**"	:	Financial year ended or ending 31 December, as the case may be
"**Group**"	:	The Company and its subsidiaries
"**Hybrionic**"	:	Hybrionic Pte. Ltd.
"**Independent Director**"	:	An independent director of the Company
"**Interested Person**"	:	Has the meaning ascribed to the term in Section 2.1 of the Annex to this Appendix
"**Interested Person Transactions**"	:	Has the meaning ascribed to the term in Section 2.1 of the Annex to this Appendix
"**IPT Mandate**"	:	The general mandate approved by Shareholders pursuant to Chapter 9 of the Catalist Rules authorising the Group to enter into the Mandated Transactions with the Interested Persons, and for which renewal is being sought at the forthcoming AGM

APPENDIX TO THE NOTICE OF AGM

"**Latest Practicable Date**"	:	28 March 2022, being the latest practicable date prior to the printing of this Appendix
"**Management and Support Services**"	:	Has the meaning ascribed to the term in Section 2.3 (c) of the Annex to this Appendix
"**Mandated Interested Person**"	:	Has the meaning ascribed to the term in Section 2.2 of the Annex to this Appendix
"**Mandated Transactions**"	:	Has the meaning ascribed to the term in Section 2.3 of the Annex to this Appendix
"**Non-Interested Directors**"	:	The Directors who are independent for the purposes of the proposed renewal of the IPT Mandate, namely Gavin Mark McIntyre, Song Tang Yih, Leong Yow Seng, Chia Beng Kwan and Ian David Brown
"**Notice of AGM**"	:	The notice of AGM dated 13 April 2022 accompanying the Company's annual report for FY2021
"**NTA**"	:	Net tangible assets
"**Post-Manufacturing Services**"	:	Has the meaning ascribed to the term in Section 2.3 (e) of the Annex to this Appendix
"**Products**"	:	Has the meaning ascribed to the term in Section 2.3 (d) of the Annex to this Appendix
"**Purchase of Products and Components**"	:	Has the meaning ascribed to the term in Section 2.3 (d) of the Annex to this Appendix
"**Qualitative Factors**"	:	Has the meaning ascribed to the term in Section 4.1(a) of the Annex to this Appendix
"**Sale of Services**"	:	Has the meaning ascribed to the term in Section 2.3 (b) of the Annex to this Appendix
"**Securities and Futures Act**"	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
"**Services**"	:	Has the meaning ascribed to the term in Section 2.3 (a) of the Annex to this Appendix
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholder**" or "**Shareholders**"	:	The registered holders of the Shares (other than the CDP) and in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register

APPENDIX TO THE NOTICE OF AGM

"**Shares**"	:	Issued and paid-up ordinary shares in the capital of the Company
"**subsidiaries**"	:	Shall bear the meaning ascribed in Section 5 of the Companies Act and "**subsidiary**" shall be construed accordingly
"**Substantial Shareholder**"	:	A person who has an interest of not less than 5.0% of the total issued voting Shares
"**S$**"	:	Singapore dollar
"**%**"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act.

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

Any word defined under the Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations (including the Catalist Rules) are as at the Latest Practicable Date.

Any reference to a time of a day in this Appendix is a reference to Singapore time unless otherwise stated.

APPENDIX TO THE NOTICE OF AGM

LETTER TO SHAREHOLDERS

BIOLIDICS LIMITED

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

Board of Directors
Gavin Mark McIntyre (Non-Executive Independent Chairman)
Chen Johnson (Non-Executive Non-Independent Director and Founder)
Song Tang Yih (Executive Director and Chief Executive Officer)
Leong Yow Seng (Lead Independent Director)
Chia Beng Kwan (Independent Director)
Ian David Brown (Independent Director)

Registered Office
37 Jalan Pemimpin
#02-07 Mapex
Singapore 577177

13 April 2022

Dear Sirs,

1. INTRODUCTION

The Company has issued the Notice of AGM on 13 April 2022 for the forthcoming AGM to be held on 28 April 2022 at 3.00 p.m. by way of electronic means. Item 11 appearing under the heading "Special Business" in the Notice of AGM is an ordinary resolution for the proposed renewal of the IPT Mandate.

The purpose of this Appendix is to provide Shareholders with information relating to and explaining the rationale for the proposed renewal of the IPT Mandate, and to seek Shareholders' approval for the ordinary resolution in relation to the proposed renewal of the IPT Mandate at the forthcoming AGM.

This Appendix has been prepared solely for the purpose set out herein and may not be relied on by any persons (other than the Shareholders) nor for any other purpose.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

The Company had, at the 2021 EGM, obtained the approval of Shareholders for the adoption of the IPT Mandate to enter into the Mandated Transactions with the Mandated Interested Persons.

The IPT Mandate will expire at the forthcoming AGM unless it is renewed by Shareholders. Accordingly, the Company intends to seek a renewal of the IPT Mandate at the forthcoming AGM. If approval is obtained from Shareholders at the forthcoming AGM, the IPT Mandate will be renewed with effect from the date of the passing of the ordinary resolution in relation to the proposed renewal of the IPT Mandate, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the date on which the next annual general meeting is held or is required by law to be held, whichever is earlier. Approval from the Shareholders may be sought for the renewal of the IPT Mandate at each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of the continued applicability of the IPT Mandate to the Mandated Transactions and the continued sufficiency of the review procedures to ensure that the transactions with the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The details of the IPT Mandate, including the classes of the Mandated Interested Persons, the categories of Mandated Transactions, the rationale for the IPT Mandate and benefits to the Group, the guidelines and review procedures under the IPT Mandate and other general information relating to Chapter 9 of the Catalist Rules remain unchanged and are set out in the Annex to this Appendix.

APPENDIX TO THE NOTICE OF AGM

3. STATEMENT OF THE AUDIT COMMITTEE

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

(a) the guidelines and review procedures for determining the transaction prices of the Mandated Transactions under the IPT Mandate as set out in Section 4.1 of the Annex to this Appendix have not changed since Shareholders approved the IPT Mandate at the 2021 EGM; and

(b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4. DISCLOSURE IN ANNUAL REPORT

The Company shall announce the aggregate value of the Interested Person Transactions conducted with the Mandated Interested Persons pursuant to the IPT Mandate in accordance with Rule 920(1)(a)(ii) of the Catalist Rules for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report.

Disclosure shall also be made in the annual report of the Company of the aggregate value of the Interested Person Transactions conducted with the Mandated Interested Persons pursuant to the IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT Mandate is in force in accordance with Rule 920(1)(a)(i) of the Catalist Rules.

The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions shall be presented in the following format in accordance with Rule 907 of the Catalist Rules:

Name of Interested Person	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all Interested Person Transactions conducted under the IPT Mandate (excluding transactions less than S$100,000)

APPENDIX TO THE NOTICE OF AGM

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The interests of the Directors and the Substantial Shareholders as at the Latest Practicable Date, based on information as recorded in the Register of Directors' Shareholders and the Register of Substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

	Number of Shares			
	Direct Interest	%(1)	Deemed Interest	%(1)
Directors				
Gavin Mark McIntyre	–	–	–	–
Chen Johnson	2,748,300	1.04	–	–
Song Tang Yih	775,800	0.29	–	–
Leong Yow Seng	–	–	–	–
Chia Beng Kwan	–	–	–	–
Ian David Brown	–	–	–	–
Substantial Shareholders (other than Directors)				
Clearbridge BSA Pte. Ltd.	60,135,400	22.65	–	–
CBH(2)	–	–	60,135,400	22.65
SEEDS Capital Pte. Ltd.	25,880,800	9.75	–	–
Enterprise Singapore Holdings Pte. Ltd.(3)	–	–	25,880,800	9.75
Enterprise Singapore(3)	–	–	25,880,800	9.75
Trauwin Pte. Limited	19,044,600	7.17	–	–
Qian Fuqing(4)	–	–	19,044,600	7.17
Qian Xiaojin(4)	–	–	19,044,600	7.17

Notes:

(1) The percentages are based on the total issued and paid-up share capital of the Company comprising 265,451,700 Shares as at the Latest Practicable Date. The Company has no treasury shares.

(2) Clearbridge BSA Pte. Ltd. ("**CBSA**") is wholly-owned by CBH. For the purposes of Section 4 of the Securities and Futures Act, CBH is deemed to have an interest in the Shares held by CBSA.

(3) SEEDS Capital Pte. Ltd. ("**SEEDS Capital**") is wholly-owned by Enterprise Singapore Holdings Pte. Ltd. ("**ESH**"), which is in turn wholly-owned by Enterprise Singapore, a statutory board under the Ministry of Trade and Industry Singapore. For the purposes of Section 4 of the Securities and Futures Act, each of ESH and Enterprise Singapore is treated as having an interest in the Shares held by SEEDS Capital.

(4) Qian Fuqing and Qian Xiaojin hold 50.0% and 30.0%, respectively, of the issued and paid-up share capital of Trauwin Pte. Limited ("**Trauwin**"). For the purposes of Section 4 of the Securities and Futures Act, each of Qian Fuqing and Qian Xiaojin is treated as having an interest in the Shares held by Trauwin.

APPENDIX TO THE NOTICE OF AGM

6. NON-INTERESTED DIRECTORS' RECOMMENDATIONS

The Non-Interested Directors, namely Gavin Mark McIntyre, Song Tang Yih, Leong Yow Seng, Chia Beng Kwan and Ian David Brown, having considered, *inter alia*, the terms, rationale and benefits of the IPT Mandate, the review procedures of the Company for the Mandated Transactions, the role of the Audit Committee in enforcing the IPT Mandate and the statement from the Audit Committee, are of the opinion that the proposed renewal of the IPT Mandate is in the best interests of the Company and its Shareholders. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the ordinary resolution in relation to the proposed renewal of the IPT Mandate at the forthcoming AGM.

7. ABSTENTION FROM VOTING

The Company's Non-Executive Non-Independent Director, Chen Johnson, is also a director of CBH and Hybrionic, and will abstain from voting on the ordinary resolution in relation to the proposed renewal of the IPT Mandate at the forthcoming AGM. He will also abstain from deliberating and making any recommendation in respect of the ordinary resolution in relation to the proposed renewal of the IPT Mandate. The Company will disregard any votes cast by Chen Johnson on the ordinary resolution in relation to the proposed renewal of the IPT Mandate at the forthcoming AGM.

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, CBH will, and has undertaken to ensure that its associates will, abstain from voting on the ordinary resolution in relation to the proposed renewal of the IPT Mandate at the forthcoming AGM. CBH will not, and has undertaken to ensure that its associates will not, be accepting any appointments as proxies unless specific instructions as to voting are given at the forthcoming AGM. The Company will disregard any votes cast by CBH and its associates on the ordinary resolution in relation to the proposed renewal of the IPT Mandate at the forthcoming AGM.

Save as disclosed in this Appendix, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the proposed renewal of the IPT Mandate.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

APPENDIX TO THE NOTICE OF AGM

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 37 Jalan Pemimpin, #02-07 Mapex, Singapore 577177, during normal business hours from the date of this Appendix up to and including the date of the forthcoming AGM:

(a) the constitution of the Company; and

(b) the annual report of the Company for FY2021.

Yours faithfully,
For and on behalf of the Board of Directors of
BIOLIDICS LIMITED

Gavin Mark McIntyre
Non-Executive Independent Chairman
13 April 2022

APPENDIX TO THE NOTICE OF AGM

ANNEX: THE IPT MANDATE

1. CHAPTER 9 OF THE CATALIST RULES

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (each known as an "**entity at risk**" within the meaning of Chapter 9 of the Catalist Rules) enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that such interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

An immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

In particular, an immediate announcement is required where:

(a) the value of an interested person transaction is equal to, or more than, 3.0% of the listed group's latest audited NTA; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, amounts to 3.0% or more of the listed group's latest audited NTA.

In addition to an immediate announcement, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

(a) 5.0% of the listed group's latest audited NTA; or

(b) 5.0% of the listed group's latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S$100,000 and certain transactions listed under Rules 915 and 916 of the Catalist Rules. However, while transactions below S$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons where such transactions are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by shareholders is subject to annual renewal.

APPENDIX TO THE NOTICE OF AGM

2. THE IPT MANDATE

2.1 Background

As at the Latest Practicable Date, CBH is a Controlling Shareholder, having an interest (direct and indirect) in 60,135,400 Shares representing approximately 22.65% of the Company's total Shares (excluding treasury shares and subsidiary holdings). Pursuant to Rule 904(4) of the Catalist Rules, CBH and its associates are deemed as an interested person within the meaning of Chapter 9 of the Catalist Rules ("**Interested Person**"), and transactions between the Group and the CBH Group are deemed interested person transactions ("**Interested Person Transactions**") within the meaning of Chapter 9 of the Catalist Rules.

The CBH Group is an integrated healthcare group with a focus on the delivery of precision medicine with businesses comprising healthcare systems, medical clinics/centres and strategic investments in medical technology companies.

From time to time, the Group may enter into certain recurrent transactions with the CBH Group in the ordinary course of business of the Group for the sale and distribution of products and services, and to leverage on benefits of outsourcing certain non-critical functions which enables the Group to focus on its core competencies and deploy its resources efficiently.

In addition to the above, from time to time, the Group enters into certain recurrent transactions with Hybrionic, principally for the Purchase of Products and Components and Post-Manufacturing Services.

Hybrionic is one of the Group's main contract manufacturers for the Products and the Components. In particular, it has been the sole manufacturer of one of the Components that the Group requires for its CTChips® FR1 biochips. In addition to supplying the Products and the Components, Hybrionic also provides the Group with labelling, packaging, assembly, storage and logistics services for its products, including its COVID-19 test kits.

As at the Latest Practicable Date, Mr Chen Chung Ni Johnny, the father of the Company's Non-Executive Non-Independent Director, Mr Chen Johnson, is a director of, and holds an equity interest of approximately 93.0% in, Hybrionic. Mr Chen Johnson is also a director of Hybrionic. Pursuant to Rule 904(4) of the Catalist Rules, Hybrionic is deemed as an Interested Person within the meaning of Chapter 9 of the Catalist Rules, and transactions between the Group and Hybrionic are deemed Interested Person Transactions.

2.2 Names of Interested Persons

The Interested Persons to be covered under the IPT Mandate are CBH, Clearbridge Assays Pte. Ltd., Clearbridge Medical Group Pte. Ltd., Shanghai Kai Zhun Health Management Co. Ltd and Hybrionic Pte Ltd (collectively, the "**Mandated Interested Persons**").

Each of Clearbridge Assays Pte. Ltd., Clearbridge Medical Group Pte. Ltd. and Shanghai Kai Zhun Health Management Co. Ltd are wholly-owned subsidiaries of CBH.

Mr Chen Chung Ni Johnny, the father of our Non-Executive Non-Independent Director, Mr Chen Johnson, is a director of, and holds an equity interest of approximately 93.0% in, Hybrionic Pte Ltd. Mr Chen Johnson is also a director of Hybrionic Pte Ltd.

APPENDIX TO THE NOTICE OF AGM

2.3 Categories of the mandated Interested Person Transactions (the "**Mandated Transactions**")

The IPT Mandate will apply to the following categories of transactions with the Mandated Interested Persons:

(a) provision of distribution services by the Mandated Interested Persons for distribution of medical and healthcare products and services to customers in Singapore and overseas ("**Distribution Services**"). The products distributed comprise mainly equipment, test kits, reagents and other consumables ("**Distributed Products**"). The services distributed relate primarily to (a) precision oncology services in the areas of cancer screening, diagnosis, treatment selection, monitoring and prognosis, and (b) other health management, pharmaceutical and wellness services ("**Services**"). Distribution Services include the distribution of the Distributed Products and Services under the Distribution Services Agreement;

(b) the sale of Distributed Products and Services by the Group to Mandated Interested Persons on an ad hoc basis which does not arise from the provision of Distribution Services by the Mandated Interested Persons ("**Sale of Services**");

(c) the provision of management and support services by the Mandated Interested Persons to the Group. Such management and support services relate mainly to corporate management, administration and support services, rental of laboratory facilities and/or office premises, as well as secondment of employees from the Mandated Interested Person to the Group. Corporate management, administration and support services comprise the receipt of management consultancy services as well as general support in the areas of human resources and corporate administration. The Group can also utilise part of the laboratory facilities and/or office premises of the Mandated Interested Persons and tap on the expertise and knowledge of staff seconded from the Mandated Interested Persons (collectively, the "**Management and Support Services**");

(d) the purchase of products required for the provision of our services and products that the Group may sell from time to time, including but not limited to equipment, test kits, reagents and other consumables ("**Products**") and components required for the production of such Products ("**Components**") by the Group from the Mandated Interested Persons ("**Purchase of Products and Components**"); and

(e) the provision of labelling, packaging, assembly, storage and logistics services for the Group's products by the Mandated Interested Persons to the Group ("**Post-Manufacturing Services**").

Taking into consideration the nature of the above-mentioned transactions and Rule 905(5) of the Catalist Rules, the IPT Mandate will cover all Mandated Transactions even if they fall below S$100,000.

All transactions that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

3. RATIONALE FOR, AND BENEFITS OF, THE IPT MANDATE

In view of the time-sensitive and recurrent nature of commercial transactions, the IPT Mandate will enable the Group to enter in the ordinary course of business into any of the Mandated Transactions with the Mandated Interested Persons, provided that such Mandated Transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such Mandated Transactions.

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The IPT Mandate will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for each separate Mandated Transaction to be entered into between the Group and the Mandated Interested Persons of a revenue nature or those necessary for its business or operations. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

The IPT Mandate will allow the Group to continue to benefit from the CBH Group acting as its distributor for its laboratory testing services, and to continue selling its products and services to the CBH Group both as its customer as well as to leverage on the CBH Group's sales network.

In respect of the Management and Support Services, the Group will benefit from the CBH Group's facilities and human resources expertise. By having access to such Management and Support Services, the Group will derive operational efficacy and savings.

In respect of the Purchase of Products and Components, the IPT Mandate will allow the Group to continue to benefit from consistent and reliable supply of the Products and Components from Hybrionic Pte Ltd. Hybrionic Pte Ltd has been the Group's sole manufacturer of one of the Components we require for our CTChip® FR1 biochips since 2013. The Components supplied to us have always met the specifications we require to ensure the performance of our CTChip® FR1 biochips. This is especially important for the Group because (i) it facilitates the continuity of the sale of our CTChip® FR1 biochips; (ii) there is a limited availability of ISO-compliant manufacturers of the Products and Components, which are complex in nature; and (iii) there is a limited pool of ISO-compliant manufacturers who are willing to accept our orders for the quantity we require as and when we order. Products and Components meeting our standards (in terms of delivery timeline and product specifications, amongst others) may not always be available on acceptable terms, if at all.

In connection with the Post-Manufacturing Services, the IPT Mandate will allow the Group to continue to engage the services of Hybrionic Pte Ltd from time to time and in the ordinary course of business, as and when we require. In addition to the abovementioned benefits, the Group will also benefit from having access to commercially competitive quotes in an expedient manner from Hybrionic Pte Ltd as compared to obtaining quotes for similar goods and services from, or transacting with, unrelated third parties.

Finally, the Group will benefit from the familiarity that Hybrionic Pte Ltd possesses in relation to the specifications and requirements that the Group requires for such goods and services, built on its mutual course of dealing over the years.

The IPT Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Mandated Interested Persons, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This allows the Group to leverage on the resources of its Mandated Interested Persons and reduce overlapping costs to achieve greater growth.

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4. GUIDELINES AND REVIEW PROCEDURES FOR THE MANDATED TRANSACTIONS

To ensure that the Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place guidelines and review procedures for the Mandated Transactions under the IPT Mandate as set out below in this section.

All Mandated Transactions shall be conducted in accordance with the Group's usual business practices and policies, consistent with the usual margins, rates or prices received or paid by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms are not more favourable to the Mandated Interested Person compared to those extended to or received from unrelated third parties after taking into account the requirements, specifications, complexity, industry norms, volume and resources required.

4.1 Guidelines and review procedures

Prior to entering into any of the Mandated Transactions with the Mandated Interested Persons, the Group shall follow the review procedures as set out below:

(a) when selling the Group's own Distributed Products and/or Services to the Mandated Interested Person under all distributorship agreements (whether pursuant to the Distribution Services Agreement or otherwise), the prices of such Distributed Products and/or Services are to be determined with reference to at least two (2) recent agreements or successful transactions with unrelated third parties in respect of the same or substantially similar nature, taking into account factors such as, but not limited to, the potential selling quantity arising from the agreement, the duration of contract, as well as the credit standing and payment records of the Mandated Interested Persons ("**Qualitative Factors**");

(b) when selling third party Distributed Products and/or Services distributed by the Group to the Mandated Interested Persons under all distributorship agreements, the prices of such Distributed Products and/or Services are to be determined based on the prevailing market reference price that is publicly available, if any, and is calculated by reference to any fair pricing basis to be determined and agreed by the management of the Company. Where no prevailing market reference price is publicly available, any distributorship agreements with Mandated Interested Persons, including the Distribution Services Agreement, are to be carried out with reference to at least two (2) recent agreements or successful transactions with unrelated third parties in respect of the same or substantially similar nature, taking into account the Qualitative Factors;

(c) all distributorship agreements with the Mandated Interested Persons shall allow the Group to revise the prices of its Distributed Products and Services by giving 30 days' notice (or such shorter period as may be set out in the relevant agreement) to the distributor(s). In the event that the Group enters into new distributorship agreements with unrelated third parties which provide for higher prices of such Distributed Products and/or Services or in the event that the Group's suppliers increase any cost of any Distributed Products and/or Services, the Group shall effect the notice immediately to ensure that (a) the Group will always achieve a positive gross margin from such a sale; and (b) the prices offered by the Group to the Mandated Interested Persons for any Distributed Product and/or Service under any distribution agreement are no more favourable than the prices offered by the Group to unrelated third parties in respect of the same or substantially similar nature of Distributed Products and/or Services, taking into account the Qualitative Factors;

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(d) in relation to the Sale of Services, prices of Distributed Products and Services charged by the Group to the Mandated Interested Persons are to be determined with reference to at least two (2) recent agreements or successful transactions with unrelated third parties in respect of the same or substantially similar nature. The Group shall ensure that the prices offered by the Group to the Mandated Interested Persons for the Sale of Services are no more favourable than the prices offered to unrelated third party customers for the sale of the same or substantially similar nature of Distributed Products and/or Services, taking into consideration factors such as the customers' credit standing, transaction volume on an annual basis, delivery requirements, length of business relationship and potential for future repeat business;

(e) in relation to the provision of corporate management, administration and support services by the Mandated Interested Persons to the Group, the fees payable shall be the actual cost incurred by the Mandated Interested Persons in performing the scope of services, including but not limited to salaries, bonuses, allowances, central provident fund contribution, government levies and other benefits paid or payable to the employees of the Mandated Interested Persons, plus a pre-determined mark-up. When determining the mark-up, the Group will take into account factors such as the cost to be incurred by the Group to obtain such corporate management, administration and support services from unrelated third party professional firms. The total fees payable to the Mandated Interested Persons shall not be higher than the total costs to be incurred by the Group if the Group engages unrelated third parties to provide such services;

(f) in relation to the rental of laboratory facilities and/or office premises from the Mandated Interested Persons, the Group will only enter into new leases or renew existing leases with the Mandated Interested Persons if the Group is satisfied that the rent payable is in line with prevailing market rental rates for comparable spaces, taking into account factors such as tenure of the lease, area of leased premises, rentals of similar properties in the same vicinity (if available) and any other relevant factors that may affect rental rates or terms of the lease. The rent payable (and the deposit needed) shall not be higher than the highest rent (or deposit) quoted by unrelated third parties for such lease;

(g) in relation to the secondment of employees from the Mandated Interested Persons, the fees payable to the Mandated Interested Persons shall be based on the actual cost incurred by the Mandated Interested Person in providing such service plus a pre-determined mark-up. When determining the mark-up, the Group will take into account the relevant taxation rules relating to secondment of employees. The total fees payable to the Mandated Interested Persons shall not be higher than the total employment expenses to be incurred by the Group if the Group employs new employees for the seconded role; and

(h) in relation to the Purchase of Products and Components and Post-Manufacturing Services, prices and terms of the Purchase of Products and Components and Post-Manufacturing Services charged by the Mandated Interested Persons to the Group are to be compared with reference to at least two (2) quotations from unrelated third parties vendors or suppliers in respect of the same or substantially the same types of transactions. The Group shall ensure that the prices offered by the Mandated Interested Persons to the Group for the Purchase of Products and Components and Post-Manufacturing Services are fair and reasonable, comparable and no less favourable than those extended by the unrelated third party vendors or suppliers to the Group, from whom quotations were sought, for the purchase of the same or substantially similar type of services or products.

    In determining whether the prices and terms offered by the Mandated Interested Persons are fair and reasonable, qualitative and quantitative factors such as, but not limited to, credit terms, delivery costs, delivery schedules, specification compliance, duration of contract, availability of preferential rates, discounts or rebates for longer contractual periods, track record, experience and expertise will also be taken into account in deciding whether or not to accept a particular quotation, as it is not commercially viable, and therefore not beneficial to the Group, to transact solely on the basis of quantitative factors (such as price) alone;

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(i) where it is impracticable or not possible to compare against the terms of the Mandated Transactions with comparable transactions with unrelated third parties:

(a) the price and terms offered to the Mandated Interested Persons shall be approved by the management, in accordance with the Group's usual business practices and policies. In determining the prices and terms offered to the Mandated Interested Persons, for such products or transactions, factors such as, but not limited to, quantity, requirements, specifications, complexity, industry norms will be taken into account. The Group shall also take into account the Qualitative Factors as well as other factors such as the Group's cost of sales to ensure that the Group will always achieve a positive gross margin from such sale; and

(b) the price and terms offered by the Mandated Interested Persons will be compared against the prices and terms of other quotations the Mandated Interested Persons had previously provided to unrelated third parties for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and unrelated third parties. The Group shall ensure that the prices and terms offered by the Mandated Interested Persons are no less favourable than those offered by the Mandated Interested Persons to unrelated third parties for the same or substantially the same types of transactions entered into between the Mandated Interested Persons and unrelated third parties. The review procedures in such cases may include, where applicable, reviewing the standard price lists provided by the Mandated Interested Person to its customers for such products and be based on the commercial merits of the transaction; and

(j) where it is impracticable or not possible to compare against the prices and terms of other quotations the Mandated Interested Persons had previously provided to unrelated third parties for the same or substantially the same types of transactions (for example, in the case of the Components which are custom-made in accordance with the Group's specification and requires proprietary inputs of the Group), the Mandated Transaction will be referred to our Audit Committee, and our Audit Committee will determine whether the relevant price and terms are fair and reasonable and consistent with the Company's usual business practices and policies. In determining whether the price and terms are fair and reasonable, the Audit Committee will have regard to the costs and benefits of entering into the Mandated Transaction, as well as factors including, but not limited to, specification compliance, volume ordered, duration of contract, staggered delivery schedules, credit terms, delivery costs, capacity of the manufacturer for the Products and Components, availability of preferential rates, discounts or rebates for longer contractual periods, track record, experience and expertise, and efficiencies and flexibilities derived by the Group in transacting with the relevant Interested Person, compared with transacting with unrelated third party vendors or suppliers. The Group will also calculate to ensure that the Group's usual profit margin in respect of the sale of its products and services will not be materially eroded with the Purchase of Products and Components.

4.2 Approval threshold limits

All agreements which have terms equal to or exceeding 12 months shall be reviewed and approved by the Audit Committee prior to entry.

The Group will monitor and categorise all other Mandated Transactions as follows:

(a) a "Category 1" Interested Person Transaction is one where the value thereof is equal to or more than 3.0% of the latest audited NTA of the Group; and

(b) a "Category 2" Interested Person Transaction is one where the value thereof is below 3.0% of the latest audited NTA of the Group.

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"Category 1" Interested Person Transactions must be reviewed and approved by the Audit Committee prior to entry. "Category 2" Interested Person Transactions need not be approved by the Audit Committee prior to entry but must be approved by the Financial Controller, Chief Executive Officer or such other person(s) designated by the Audit Committee from time to time, who shall not be interested in any of the Interested Person Transactions. Such transactions are also reviewed by the Audit Committee at least once every six (6) months.

The approval thresholds set out above have been adopted by the Group after taking into account, *inter alia*, the nature, volume, frequency and size of the Interested Person Transactions, as well as the Group's day-to-day operations, administration and business. The threshold limits are arrived at with the view to strike a balance between (i) maximising the operation efficiency of the day-to-day operations of the Group, and (ii) maintaining adequate internal controls and governance in relation to the Interested Person Transactions.

4.3 Additional guidelines and review procedures

In addition to the guidelines and review procedures set out in Sections 4.1 and 4.2 above, the Company will also implement the following additional guidelines and procedures to ensure that all Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms:

(i) Register of Interested Person Transactions

The Company will maintain a register to record all pertinent information in relation to the Interested Person Transactions (including the Mandated Transactions as well as all Interested Person Transactions below S$100,000 in value), such as but not limited to, the identity of the Interested Persons involved in the Interested Person Transactions, the value of the Interested Person Transactions, the nature and scope of the Interested Person Transactions, the basis and rationale for entering into the Interested Person Transactions, including the quotations and other evidence obtained to support such basis with written approvals. The register of Interested Person Transactions shall be prepared, maintained and monitored by senior personnel such as the Financial Controller (who shall not be interested in any of the Interested Person Transactions) and who are duly delegated to do so by the Audit Committee.

In addition, the Company will maintain a list of Interested Persons and their associates which shall be reviewed by the Financial Controller at least once every six (6) months and subject to such verifications or declarations as required by the Audit Committee from time to time or for such periods as determined by them.

(ii) Review by Audit Committee

Members of the Audit Committee will review all approved Interested Person Transactions (including Interested Person Transactions below S$100,000 in value) at least once every six (6) months to ensure that the procedures for review, approvals as well as monitoring and administration are adequate, sufficient and adhered to, in ensuring that Interested Person Transactions are undertaken on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee will also review, from time to time, the established guidelines and review procedures of the Interested Person Transactions and determine if such guidelines and review procedures continue to be adequate and/or commercially practicable in ensuring that the Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

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If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate and/or insufficient to meet such objectives, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures. During the period prior to obtaining such fresh mandate from Shareholders, all Interested Person Transactions will be subject to prior review and approval by the Audit Committee, subject to the requirements under Chapter 9 of the Catalist Rules.

(iii) Review by internal auditors

The Group will incorporate a review of Interested Person Transactions in its internal audit plan. The internal auditors will review the Interested Person Transactions to check that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the Interested Person Transactions have been adhered to. The internal auditors will forward their review reports to the Audit Committee.

(iv) Interested members of the Audit Committee to abstain

In the event that any member of the Audit Committee is interested (directly or indirectly) in any transaction, he will abstain from participating in the review and approval process in relation to that particular transaction to ensure that the transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

BIOLIDICS LIMITED

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

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 2022 ("**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 the Chairman of the AGM as a proxy at the AGM, are set out in the Notice of AGM and the accompanying Company's announcement dated 13 April 2022.
3. Due to the current COVID-19 situation, the AGM will be held by way of electronic means and members will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to 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 who have used their supplementary retirement scheme monies to buy shares in the Company ("**SRS Investors**"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their voting instruction by 5.00 p.m. on 18 April 2022, being seven (7) working days before the AGM.

ANNUAL GENERAL MEETING PROXY FORM

*I/We, ________________________ (Name) ______________ (NRIC No./Passport No./Company Registration No.)

of ____ (Address)
being *a member/members of Biolidics Limited (the "**Company**"), hereby appoint the Chairman of the 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 on Thursday, 28 April 2022 at 3.00 p.m. and at any adjournment thereof.

*I/We direct the Chairman of the AGM, being *my/our proxy, 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 Abstained**
ORDINARY BUSINESS				
1.	Receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2021, the directors' statement and the auditor's report thereon			
2.	Approval of the payment of directors' fees for the financial year ending 31 December 2022, payable quarterly in arrears			
3.	Re-election of Mr Chen Johnson as a director of the Company ("**Director**")			
4.	Re-election of Mr Gavin Mark McIntyre as a Director			
5.	Re-election of Mr Song Tang Yih as a Director			
6.	Re-election of Mr Ian David Brown as a Director			
7.	Re-appointment of Messrs Ernst & Young LLP as the Company's auditors			
SPECIAL BUSINESS				
8.	Authority to allot and issue shares in the capital of the Company ("**Shares**")			
9.	Authority to grant awards and to allot and issue Shares pursuant to the Biolidics Performance Share Plan			
10.	Renewal of the Interested Person Transactions Mandate			

Notes:

* *Delete accordingly*

** *Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or to "Abstain" the relevant resolution, please mark "X" in the relevant box provided. Alternatively, please indicate the number of votes "For", "Against" or to "Abstain" each resolution. If you mark "X" in the "Abstain" box for a particular resolution, you are directing your proxy not to vote on that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.*

Dated this ________ day of ______________ 2022

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 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 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 2022, via the URL http://bit.ly/BiolidicsAGM2022. Following authentication of his/her/its status as members or SRS Investors, authenticated members and 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 12.00 p.m. on 27 April 2022.

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

3. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their voting instruction by 5.00 p.m. on 18 April 2022, being seven (7) working days before the AGM.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The proxy form appointing the Chairman of the AGM as proxy 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, Tricor Barbinder Share Registration Services, located at 80 Robinson Road, #11-02, Singapore 068898; or

   b. if submitted electronically, must be submitted via email to ProxyFormSubmission@biolidics.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.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, 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 the Chairman of the AGM as proxy, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2022.

BIOLIDICS LIMITED

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