

# Biolidics



ANNUAL REPORT **2023**

## CORPORATE PROFILE

Incorporated in 2009, Biolidics Limited (“**Biolidics**” or “**the Company**” and together with its subsidiaries “**the Group**”) focuses on developing a portfolio of innovative diagnostic solutions to lower healthcare costs and improve clinical outcomes.

To diversify our business model and build long term growth, the Group is also actively exploring technology-enabled lifestyle businesses, which would involve the ownership, operation and management of Multi-Channel Networks (“**MCN**”) businesses, live streaming social e-commerce platforms and Esports-related businesses.



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

This annual report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact persons for the Sponsor are Mr. Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited) and Mr. Tan Jun Yong (Registered Professional, Evolve Capital Advisory Private Limited), who can be contacted at 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906, telephone: +65 6241 6626.



## MESSAGE TO SHAREHOLDERS

On behalf of the board of directors of Biolidics Limited (“**Biolidics**” or the “**Company**” and together with its subsidiaries, the “**Group**”), we would like to present the annual report of the Company for the financial year ended 31 December 2023 (“**FY2023**”).

FY2023 has been a transition year for the Group as we embarked on various key initiatives to shore up our liquidity position, pare down our debts and lay the groundwork for a future that is as promising as it is diverse.

With the aim of lowering healthcare costs and improving clinical outcomes, Biolidics started its journey by pioneering of minimally invasive cancer diagnostics solutions since its initial public offering in December 2018. To create more opportunities for value creation, the Group ventured into the area of diagnostic solutions for infectious diseases and provision of laboratory testing service in 2020. Commercialising medical technology products is a complex process due to various challenges inherent in the healthcare industry, making it time-consuming and resource intensive. While we have made progress in the past, the path toward the successful commercialisation and adoption of our diagnostic applications remains fraught with challenges and uncertainties. In the business segments of infectious disease and laboratory testing services, we are faced with intense price competition on ART kits and lowered market demands in PCR testing services.

To better position the Group to achieve long-term sustainable growth, with the priority of broadening the Group’s revenue, we believe there is a need to innovate and reshape our business model. The decision to diversify from our core healthcare technology business is not one that we have taken lightly. Diversification is not merely about expanding into new markets or industries; it is about unlocking new opportunities for growth and value creation. Technology is not just a driver of transformation in healthcare, it is also a catalyst for change and opportunities in other industries as well.

In this new era characterised by rapid technological advancements and evolving consumer behaviours, the role of digital media and content creation has transformed human

connection and communication, giving rise to the ubiquitous presence of social media platforms. This is evident in the rising trend of multi-channel networks businesses, live streaming social e-commerce platforms and Esports-related businesses, where users have embraced these digital spaces, shaping and redefining their social interactions in unprecedented ways, forming an integral part of their daily lives.

As such, we believe that transformative power of such technology-enabled lifestyle businesses has the ability to revolutionise the way we engage with audiences, build communities, and drive meaningful impact within a dynamic and interconnected ecosystem.

Our foray into the technology-enabled lifestyle business activities represents a natural extension of our strategic priorities. Aligned with our corporate objectives, we aim to position ourselves at the forefront of this rapidly expanding digital content ecosystem to build a robust and diversified presence. On this front, we are pleased to highlight that the Company has obtained shareholders’ approval to diversify into this new business area in our recent Extraordinary General Meeting held on 23 February 2024.

Faced with a weakening liquidity position over the past few years, we have made continual efforts to streamline operational efficiency, rationalise other costs and expenses to preserve cashflows as much as possible.

To ensure that the Group can continue to operate as a going concern, we also proactively explored alternative financing options to increase our working capital, strengthen our balance sheet and mitigate financial risks.

In November 2023, the Company completed the issuance of 98.5 million new ordinary shares in the issued share capital of the Company to Mr. Zhu Hua, raising gross proceeds of approximately S\$1.17 million, which was fully utilised to repay the remaining of the Deferred Consideration. Under the terms of the subscription agreement entered into with Mr. Zhu, Mr Zhu had undertaken to provide financial support to enable the Group to continue to operate as a going concern.

## MESSAGE TO SHAREHOLDERS

In December 2023, the Company announced the proposed issuance of 83 million new ordinary shares in the issued share capital of the Company to Mr. Zhou Chao, raising gross proceeds of approximately S\$1.04 million, which will increase resources and working capital available to the Company. This issuance of new shares was completed in January 2024.

### ACKNOWLEDGEMENTS

As Biolidics embark on this new chapter of its corporate journey, we would like to extend our appreciation and gratitude to our management team, staff and business partners for their contribution and support towards the Group.

Furthermore, we extend our gratitude to our fellow directors for their invaluable guidance and advice. Over the past year, our Board has undergone changes with the appointment of new directors and some of our directors stepping down. Please join us in recognising the contributions of our former directors and in extending a warm welcome to our new directors.

With a more diversified business model, we aim to strategically position the Group to leverage emerging trends in targeted markets, harness new opportunities, and foster sustainable growth.

Thank you for your continued trust and confidence.

### SONG TANG YIH

Executive Director and Chief Executive Officer

### GAVIN MARK MCINTYRE

Non-Executive Independent Chairman

## OPERATIONS & FINANCIAL REVIEW

### Revenue

Revenue decreased by 47.2% or S\$1.17 million, from S\$2.49 million in FY2022 to S\$1.32 million in FY2023, due mainly to a decrease in revenue from rendering of laboratory services from S\$1.94 million in FY2022 to S\$1.04 million in FY2023. The decrease in revenue from rendering of laboratory services was due to a decrease in PCR test services arising from the lack of demand resulting from the changes in travel policies. Since March 2023, PCR tests are no longer required for travelers into many countries. Revenue from sale of our COVID-19 related products amounted to S\$Nil in FY2023, as compared to S\$0.34 million in FY2022, arising from a growing supply of antigen and antibody test kits which led to a highly competitive market under the constraints of intense price competition.

The decrease was partially offset by an increase in revenue from the sales of our ClearCell® FX1 system, our CTChip® FR1 biochip and other related services and consumables from S\$0.21 million in FY2022 to S\$0.28 million in FY2023.

### Other income

The Group's other income decreased by 54.2% or S\$0.17 million, from S\$0.31 million in FY2022 to S\$0.14 million in FY2023, due mainly to a decrease of S\$0.13 million in government grants and a decrease in foreign exchange gains of S\$0.09 million.

### Changes in inventories

The Group recorded a decrease of S\$0.02 million in the closing balance of our inventories in FY2023, as compared to a decrease of S\$0.22 million in FY2022. The fluctuations in the balance of our inventories were due mainly to the timing of purchase and sale of inventories.

### Purchases

The Group's purchases decreased by S\$0.54 million or 48.2%, from S\$1.11 million in FY2022 to S\$0.58 million in FY2023, in line with the decrease in revenue from rendering of laboratory services during the respective financial periods.

### Employee benefits expense

The Group's employee benefits expense decreased by S\$1.23 million or 42.7%, from S\$2.88 million in FY2022 to S\$1.65 million in FY2023, due mainly to a reduction of headcount since March 2023.





## OPERATIONS & FINANCIAL REVIEW



### Depreciation expense

The Group's depreciation expense decreased by S\$0.52 million or 68.3%, from S\$0.76 million in FY2022 to S\$0.24 million in FY2023, due to assets being fully depreciated and/or impaired in FY2022.

### Amortisation expense

The Group's amortisation expense decreased by S\$0.42 million or 100.0% in FY2023, due to intangible assets being fully impaired in FY2022.

### Research and development ("R&D") expense

The Group's R&D expense decreased by 86.3% or S\$0.20 million, from S\$0.23 million in FY2022 to S\$0.03 million in FY2023, due mainly to the reduction in R&D activities during the respective financial periods.

### Other expenses

The Group's other expenses decreased by 81.8% or S\$5.55 million, from S\$6.78 million in FY2022 to S\$1.23 million in FY2023, due mainly to (i) impairment losses of S\$4.04 million pertaining to intangibles, goodwill, plant and equipment and right-of-use assets in FY2022; (ii) writeback for inventories of S\$0.03 million in FY2023 and inventories written off of S\$0.18 million in FY2023, as compared to allowance for inventories of S\$1.30 million in FY2022.

### Finance costs

The Group's finance costs decreased by 32.7% or S\$0.06 million, from S\$0.17 million in FY2022 to S\$0.11 million in FY2023, due mainly to the lower balances of borrowings and deferred consideration.

### Income tax credit

The Group's income tax credit pertains to the reversal of deferred tax liabilities arising from the CAP Accreditation of Biomedics Laboratory Pte. Ltd.. There was no income tax credit recognised in FY2023 as the deferred tax liabilities was fully reversed in FY2022 arising from fair valuation of the intangible assets.

### Loss for the period

The Group recorded a loss for the year of S\$2.49 million in FY2023, as compared to a loss for the year of S\$9.37 million in FY2022.

## OPERATIONS & FINANCIAL REVIEW

### REVIEW OF THE GROUP'S FINANCIAL POSITION

#### Non-current assets

The Group's non-current assets increased by 50.0% or S\$0.08 million, from S\$0.17 million as at 31 December 2022 to S\$0.25 million as at 31 December 2023. This was due to an increase in right-of-use assets of S\$0.14 million which arose from the new and renewal of leases, partially offset by decrease in plant and equipment of S\$0.06 million which arose mainly from the depreciation during the period.

#### Current assets

The Group's current assets decreased by 92.7% or S\$5.49 million, from S\$5.92 million as at 31 December 2022 to S\$0.43 million as at 31 December 2023. This was due mainly to a decrease in (i) cash and cash equivalents of S\$4.85 million; (ii) trade receivables of S\$0.44 million; (iii) prepayments of S\$0.10 million; (iv) other receivables of S\$0.09 million; and inventories of S\$0.02 million.

#### Current liabilities

The Group's current liabilities decreased by 68.0% or S\$4.09 million, from S\$6.01 million as at 31 December 2022 to S\$1.92 million as at 31 December 2023. This was due mainly to a decrease in (i) deferred consideration of S\$3.24 million; (ii) other payables of S\$0.69 million; (iii) trade payables of S\$0.07 million, (iv) contract liabilities of S\$0.11 million, and (v) current portion of lease liabilities of S\$8,000, partially offset by an increase in (i) current portion of borrowings of S\$30,000, and (ii) provision for reinstatement cost of S\$5,000.

#### Non-current liabilities

The Group's non-current liabilities decreased by 57.5% or S\$1.02 million, from S\$1.77 million as at 31 December 2022 to S\$0.75 million as at 31 December 2023. This was due mainly to a decrease in (i) provision for reinstatement cost of S\$5,000, and (ii) borrowings of S\$1.08 million comprising the non-current portion of working capital bank loans partially offset by increase in non-current portion of lease liabilities of S\$0.07 million.

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

Operating cash outflow before movements in working capital amounted to S\$1.93 million in FY2023. Net cash used for working capital amounted to S\$9,000 due mainly to (i) an increase in inventories of S\$0.14 million; (ii) a decrease in trade payables of S\$0.08 million, (iii) a decrease in other payables of S\$0.24 million; and (iv) a decrease in contract liabilities of S\$0.11 million, partially offset by (i) a decrease in trade receivables of S\$0.36 million; (ii) a decrease in prepayments of S\$0.10 million; and (iii) a decrease in other receivables of S\$0.09 million. As a result, net cash used in operating activities was S\$1.97 million in FY2023.

Net cash used in investing activities in FY2023 amounted to S\$2.69 million. This was due mainly to repayment of the deferred consideration of S\$2.69 million in cash.

Net cash used in financing activities in FY2023 amounted to S\$0.20 million. This was due mainly to the payment of S\$1.05 million and S\$0.27 million of the principal portions of borrowings and lease liabilities respectively, which was partially offset by gross proceeds from placement share of S\$1.17 million before share issuance expense of S\$0.06 million.

As a result of the above, there was a net decrease in cash and cash equivalents by S\$4.86 million, from S\$5.03 million as at 31 December 2022 to S\$0.18 million as at 31 December 2023.



## BOARD OF DIRECTORS



### GAVIN MARK MCINTYRE

**Date of First Appointment:** 23 November 2021

**Member:** Audit Committee and Remuneration Committee

**Present directorships in other listed companies:**

Don Agro International Ltd (SGX-ST)  
VCPLUS Limited (SGX-ST)

**Past directorships in other listed companies:**

Nico Steel Holdings Ltd

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

Gavin spent seven years based in Thailand and Singapore when he was with Deloitte as a project leader to lead restructuring projects 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.

Between August 2016 and September 2023, Gavin was an independent director at Nico Steel Holdings Ltd and was the Chairman of their Audit Committee. In February 2017, he was appointed as an independent director of VCPLUS Limited and is the Chairman of the Audit Committee. Gavin became an independent director in Don Agro International Ltd in August 2023 and is Chairman of the Audit Committee.

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

### SONG TANG YIH

**Date of First Appointment:** 1 September 2021

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

**Past directorships in other listed companies:**

Metech International Limited (SGX-ST)  
Advance SCT Limited (SGX-ST)

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

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

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

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

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

## BOARD OF DIRECTORS



### ZHU HUA

**Date of First Appointment:** 1 December 2023

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

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

Zhu Hua is the Non-Executive Non-Independent Director of the Company.

Zhu Hua was appointed as a Non-Executive Non-Independent Director of the Company on 1 December 2023 following the completion of his subscription of the Company's Shares on 28 November 2023.

Zhu Hua currently holds various senior positions in investment, technology and internet-related companies. He has worked in several equity investment fund companies and has about 20 years of experience in investment management. In particular, he has more than 10 years of investment experience in the internet, mobile internet and multi-channel network industry.

Zhu Hua obtained his Master of Science – International Securities Investment and Banking from University of Reading. He also holds a Bachelor of Economics – Investment Economics from Lanzhou University of Finance & Economics.

### LIEW YOKE PHENG JOSEPH

**Date of First Appointment:** 27 November 2023

**Chairman:** Audit Committee

**Member:** Nominating Committee

**Present directorships in other listed companies:**

Grand Venture Technology Limited  
Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited

**Past directorships in other listed companies:**

Hoe Leong Corporation Limited  
Innovalues Holdings Limited  
Shanghai Turbo Enterprises Ltd

Joseph is the Independent Director of the company. He was the Executive Chairman and CEO of Hoe Leong Corporation Limited from 2019 to 2023. Joseph was the General Manager of business compliance and senior adviser on internal audit at Giti Tire (China) Investment Company Ltd from 2014 to 2018 and a Consultant with GT Asia Pacific Holdings Pte Ltd from 2018 to 2019.

Joseph began his career in 1980 as an auditor with Peat Marwick, Mitchell & Co. (now part of KPMG). He then joined Caltex Asia Limited in 1982 as an internal auditor. From 1985 to 1988, Joseph was head of operations and information technology audit with Great Eastern Life Assurance Company Limited. Joseph then left to become Managing Director of Base Management Systems Pte. Ltd. in 1989, before returning to Great Eastern Life Assurance Company Limited in 1992 as head of internal audit. Subsequently, between 1995 and 2003, Joseph was a director of RSM Chio Lim Stone Forest Group of companies. Joseph joined Sunlife Everbright Life Insurance Company Limited in 2003 as its Chief Financial Officer, followed by Sage Software Asia Pte. Ltd, from 2006 to 2014, as its director and Asia regional Chief Financial Officer.

Joseph holds a Bachelor of Commerce from Nanyang University, Singapore. He is a Certified Information Systems Auditor, a Certified Fraud Examiner, a Fellow of the Institute of Singapore Chartered Accountants, a Fellow of the Association of Chartered Certified Accountants (United Kingdom) and a Senior Accredited Director of the Singapore Institute of Directors. He is a director of Lew Foundation and Char Yong (Dabu) Foundation.

## BOARD OF DIRECTORS



### CH'NG LI-LING

**Date of First Appointment:** 31 March 2023

**Chairman:** Nominating Committee

**Member:** Remuneration Committee

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

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

Li-Ling is an Independent Director of the Company. She is a founding member of RHTLaw Asia, heading its Financial Services (Regulatory) and Technology (FSR and Fintech) Practice, and co-leads its Environment, Social and Governance (ESG) Practice.

Li-Ling is a Council Member of RHT G.R.A.C.E. Institute, a non-profit organisation dedicated to training and development for Governance, Risks, Anti-Money Laundering, Compliance and Ethics, and is a co-anchor host of the podcast EthBeats: Lessons in G.R.A.C.E.ful Living.

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

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

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

### IAN DAVID BROWN

**Date of First Appointment:** 14 June 2021

**Chairman:** Remuneration Committee

**Member:** Audit Committee and Nominating Committee

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

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

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

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

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

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



## EXECUTIVE OFFICER

### SIU YEUNG SAU

#### Financial Controller

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



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Gavin Mark McIntyre  
*Non-Executive Independent Chairman*

Song Tang Yih  
*Executive Director and Chief Executive Officer*

Zhu Hua  
*Non-Executive Non-Independent Director*

Ch'ng Li-Ling  
*Independent Director*

Liew Yoke Pheng Joseph  
*Independent Director*

Ian David Brown  
*Independent Director*

## AUDIT COMMITTEE

Liew Yoke Pheng Joseph (*Chairman*)  
Gavin Mark McIntyre  
Ian David Brown

## NOMINATING COMMITTEE

Ch'ng Li-Ling (*Chairman*)  
Liew Yoke Pheng Joseph  
Ian David Brown

## REMUNERATION COMMITTEE

Ian David Brown (*Chairman*)  
Ch'ng Li-Ling  
Gavin Mark McIntyre

## COMPANY SECRETARY

Nor Hafiza Alwi, FCIS  
*(Fellow Member and Practising Chartered Secretary)*

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

18 Howard Road  
#11-09 Novelty BizCentre  
Singapore 369585  
+65 6482 0668

## SPONSOR

Evolve Capital Advisory Private Limited  
138 Robinson Road, Oxley Tower, #13-02,  
Singapore 068906

## SHARE REGISTRAR

B.A.C.S Private Limited  
77 Robinson Road  
#06-03, Robinson 77  
Singapore 068896

## AUDITOR

Baker Tilly TFW LLP  
600 North Bridge Road  
#05-01 Parkview Square  
Singapore 188778

Partner-in-charge: Foong Chooi Chin  
Date of appointment: 26 July 2023  
(Appointed for FY2023)

## INVESTOR RELATIONS

8PR Asia Pte Ltd  
Alex Tan  
+65 94515252  
alex.tan@8prasia.co



# SUSTAINABILITY REPORT



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# SUSTAINABILITY REPORT

## BOARD STATEMENT

The board ("**Board**") of directors ("**Directors**") of Biolidics Limited ("**Biolidics**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present the Group's sustainability report (the "**Report**") for the financial year ended 31 December 2023 ("**FY2023**").

With the aim of lowering healthcare costs and improving clinical outcomes, Biolidics started its journey by pioneering of minimally invasive cancer diagnostics solutions since its initial public offering in December 2018. In 2020, the Group ventured into the area of diagnostic solutions for infectious diseases and provision of laboratory testing service.

To provide additional and recurrent revenue streams for the Group, with the approval of shareholders in the Extraordinary General Meeting ("**EGM**") held in February 2024, the Group will be diversifying its business into Multi-Channel Networking, E-Sports and Live-streaming ("**New Businesses**"). This will allow the Group to reduce its reliance on the Group's existing business in cancer, infectious disease and 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 its business. For FY2023, the Group has continued its sustainability approach by reviewing its materiality assessment, performance indicators and targets that will guide its sustainability efforts. Regarding the governance of sustainability issues, the Board has overall responsibility for the ESG issues of the Group, including determining material ESG factors, formulating necessary strategies, ensuring the Group has appropriate and effective internal control and risk management systems, monitoring the Group's ESG performance, ensuring the Group's compliance with relevant external requirements, and reviewing and approving sustainability reports. Assisting the Board to fulfil its responsibility in ESG issues, the management ("**Management**") of Biolidics, including the Group's senior executives, are responsible for monitoring the implementation of relevant policies and measures in accordance with the Group's strategy, managing the Group's material ESG factors, and evaluating the Group's performance in various aspects of ESG. In support of the Management, the members of the sustainability reporting task force ("**SR Task Force**") are responsible for implementing relevant policies, evaluating and collecting ESG data, and keeping abreast of current sustainability trends through regular training. The Management and SR Task Force members report to the Board at least twice a year on the progress of ESG-related work, including the results of the materiality assessment of ESG factors and its targets in a timely manner, and provide advice to the Board on relevant issues to continuously improve the Group's ESG performance. The Board will at least annually review the Group's ESG performance and the effectiveness of the Group's policies and procedures in managing its material ESG factors. In addition, all Directors have attended the mandatory sustainability training courses to equip themselves with basic knowledge on sustainability matters.

The Group is committed to growing sustainably as a forward-looking company covering its approach and performance in sustainability as the Group continues to actively explore expanding into New Businesses.

This Report is prepared in accordance with the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**") and with reference to the Global Reporting Initiative ("**GRI**") Standards. This Report serves as a platform for Biolidics to formally communicate its sustainability approach on its practices, performance and targets in relation to its sustainability efforts for FY2023 with its stakeholders. For target setting, the Group categorises targets set for the next year as "short-term targets", targets set for a period of two to five years as "medium-term targets", and targets set beyond five years as "long-term targets", with these time horizons being applied to the identified material ESG factors in target setting within its planning and strategy.

# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

This is Biolidics' fifth sustainability report.

The scope of this Report focuses on the Group's key business operations in Singapore, including offices and laboratories located in Singapore, which is consistent with the scope of the Group's annual report for FY2023 and the same as the scope of the sustainability report for the financial year ended 31 December 2022 ("**FY2022**"). Information disclosed in this Report reflects the Group's ESG efforts and encapsulates its commitment to grow sustainably as a forward-looking company covering its approach and performance in sustainability for FY2023. The Group will continue to assess the major ESG aspects of different businesses and extend the scope of disclosures when and where applicable.

This Report is prepared in accordance with the requirements of Practice Note 7F: Sustainability Reporting Guide of the Catalyst Rules and with reference to the GRI Standards. The GRI standards were chosen because they are one of the most commonly used frameworks, and therefore, familiar to readers. Throughout the preparation of the Report, the Group has applied the reporting principles of the GRI, which include accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. In addition, the climate-related disclosures in this Report include material information with reference to the recommendations provided by the Task Force on Climate-Related Financial Disclosures ("**TCFD**").

This Report references the following Universal Standards and Topic Standards:

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

This Report has undergone the internal review process of the Group, and was reviewed by the Board. The Group has engaged its internal auditors to perform an internal review of its sustainability reporting process. The Group has not sought external assurance for this Report for FY2023, and may consider undertaking it in the future.

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















# SUSTAINABILITY REPORT

## MATERIALITY ASSESSMENT

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

With the facilitation of an external consultant and by considering trends and current themes of concern in the healthcare industry as well as the sustainability trends in Singapore and globally, the Group has shortlisted and identified 10 material ESG factors. Then, the Group conducted a materiality assessment in the form of questionnaires. Shareholders, customers and employees from different business units across the Group were involved in completing the materiality survey and rated the relative importance of these factors according to the significance of their impacts on the economy, environment, and people, including impacts on the human rights, as well as their influence on business strategy, financial planning, and the overall business model. Based on the results of the materiality survey, the priority of different material ESG factors was identified and disclosed in the table below. The results of the materiality assessment has been reviewed and approved by the Management and the Board.

The following table depicts the relative importance of the Group's material factors for FY2023.

| Material Factors                                                      | Rating | Sustainability Aspects                                                                                                                                                  | For Detailed Information                                                                                                                                                                 |
|-----------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economic Performance</b>                                           | 2      |                                                                                      | <ul style="list-style-type: none"> <li>Operations &amp; Financial Review, pages 4 to 6</li> <li>Financial Statements, pages 65 to 113</li> <li>Sustainability Report, page 18</li> </ul> |
| <b>Climate Change Mitigation and Adaptation</b>                       | 10     |                                                                                      | Sustainability Report, page 18 to 19                                                                                                                                                     |
| <b>Occupational Health and Safety (including Effluents and Waste)</b> | 7      |   | Sustainability Report, page 20 to 21                                                                                                                                                     |
| <b>Talent Retention (including Training and Education)</b>            | 4      |                                                                                      | Sustainability Report, pages 21 to 23                                                                                                                                                    |
| <b>Diversity, Equal Opportunity and Non-discrimination</b>            | 8      |                                                                                      | Sustainability Report, pages 24 to 25                                                                                                                                                    |
| <b>Research and Development/ Innovation</b>                           | 5      |                                                                                      | Sustainability Report, pages 25                                                                                                                                                          |
| <b>Customer Privacy</b>                                               | 1      |                                                                                      | Sustainability Report, page 25                                                                                                                                                           |
| <b>Product Quality and Safety</b>                                     | 2      |                                                                                      | Sustainability Report, page 26                                                                                                                                                           |
| <b>Anti-corruption</b>                                                | 5      |   | Sustainability Report, page 27                                                                                                                                                           |
| <b>Environmental and Socioeconomic Compliance</b>                     | 9      |                                                                                      | Sustainability Report, page 28                                                                                                                                                           |






Legend:

 Economic    Environmental    Social    Governance

# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT

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

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

# SUSTAINABILITY REPORT

## ECONOMIC

### Economic Performance

The Group has consistently demonstrated a commitment to growth and financial stability by actively seeking opportunities to expand its business activities. In addition to pursuing growth avenues, the Group strives to optimise its cost structure, ensuring prudent management of expenses and preserving cashflows. For the financial year ending 31 December 2024 ("FY2024"), the Group has set targets for both the short-term and long-term, including achieving an improvement in revenue through New Businesses, maintaining the practice of disclosing the Group's financial statements in alignment with recognised financial reporting standards with zero instances of non-compliance and continuing the pursuit of opportunities for business diversification.

The Group is cognizant of the importance of linking executive remuneration to sustainability performance. However, as the Group has incurred losses since incorporation, it will only be feasible to reward executives for achieving sustainability targets when the Group becomes profitable.

For more information regarding the Group's economic performance for FY2023, please refer to the Operations & Financial Review section and Financial Statements section of this annual report.

## ENVIRONMENTAL

### Climate Change Mitigation and Adaptation

#### FY2023 Performance

- ▶ In FY2023, the Group's greenhouse gas ("GHG") emissions intensity is 0.06 tCO<sub>2</sub>e/thousand revenue (S\$). Despite a decrease in electricity consumption, the target of maintaining or reducing GHG emissions intensity, based on the baseline of 0.03 tCO<sub>2</sub>e/thousand revenue from FY2022, was not successfully achieved due to a significant decline in revenue.
- ▶ The Group has organised at least one activity each year to raise awareness among employees on climate change.

#### FY2024 Target

- ▶ Short-term target: Organise at least one activity each year to raise awareness among employees on climate change.
- ▶ Medium-term target: Maintain or reduce GHG emissions intensity by the financial year ending 31 December 2028 ("FY2028"), using baseline of FY2023 GHG emissions intensity.

The Group understands the importance of developing a strategy and risk management framework that sets the foundation for the Group's climate resilience. The Group acknowledges that the TCFD provides recommendations regarding the disclosure of climate-related financial information. TCFD has four overarching elements, including governance, strategy, risk management and metrics and targets, to assess the impact of key climate-related risks and opportunities. The Group will continue to strengthen its disclosure with reference to TCFD.

### Governance

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



# SUSTAINABILITY REPORT

## Strategy

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

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

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

With the increased awareness of climate change, the Group's stakeholders may prefer products and services that are less damaging to the climate. As a result, the transition to a low-carbon business model can bring opportunities. If the Group is able to adopt more environmentally-friendly practices in its operations, the Group may be able to seize more business opportunities from business customers who recognise the Group's environmental initiatives. In addition, the Group will explore and implement climate scenario analysis to strengthen its resilience against the potential impact of climate change on its operations in the future.

## Risk Management

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

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

## Metrics and Targets

The Group is aware that its businesses involve emissions and recognises that reduction of emission is essential. The Group's major sources of GHG emissions is energy indirect GHG emissions from purchased electricity (Scope 2), no direct GHG emissions (Scope 1) were generated. In FY2023, the Group generated a total of 74.45 tCO<sub>2</sub>e of GHG emissions, which is equivalent to 0.06 tCO<sub>2</sub>e/thousand revenue (S\$). GHG emissions data is calculated based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development and the 2022 grid emission factor issued by the Energy Market Authority of Singapore.

The Group has striven to mitigate its GHG emissions and has set a GHG emissions reduction target, as mentioned earlier in this section. Moving forward, the Group will continue to devote its efforts and ensure that its strategies align with its commitment.

## Energy and Water Consumption

In FY2023, the Group consumed approximately 178,617.00 kWh of electricity and 51.99 cubic metres of water. The Group aims to minimise its environmental footprint and promote sustainable practices to reduce water consumption and increase energy efficiency.

# SUSTAINABILITY

## REPORT

### SOCIAL AND ENVIRONMENTAL

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

##### FY2023 Performance

- ▶ In FY2023, there were no fatalities or workplace injuries. The target of maintaining zero fatalities and workplace injuries was successfully achieved.

##### FY2024 Target

- ▶ Short-term target: Maintain zero fatalities and workplace injuries.
- ▶ Medium-term target: Conduct periodic safety audits and inspections to identify potential hazards and ensure compliance with safety standards.

#### Occupational Health and Safety

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

Safety is of utmost importance to the Group. The Group's activities currently require the controlled use of potentially harmful biological materials and chemicals such as cancer cell lines and formaldehyde. There is a risk of accidental contamination or injury to employees or third parties from the handling, use and disposal of these materials and chemicals. Therefore, the Group has established the Maintenance of Work Environment and Laboratory Safety Manual to specify different types of potential hazards in the workplace and implement corresponding measures based on the seriousness of different types of hazardous, so as to minimise potential risks for all employees. The minimisation of safety-related issues will not only ensure a safe and conducive working environment, but also translate to a reduction in business disruption and protect the reputation of the Group.

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

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

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

# SUSTAINABILITY REPORT

In FY2023, there were no cases of work-related injuries and fatalities for all employees. Therefore, the absenteeism rates for employees were at an average of zero days per annum.

## Effluents and Waste

At Biolidics, it maintains its duty to dispose of its waste responsibly, especially toxic waste due to its potential for causing harm to the environment and endangering the health and safety of individuals.

The Group has implemented the Laboratory Safety Manual and adheres to the Environmental Public Health Act (Toxic Industrial Waste) Regulations which require all its authorised waste collectors to be licensed. The license will be granted on the condition that:

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

In FY2023, the Group disposed 9,160.00 litres of waste to its authorised waste collectors.

## SOCIAL

### Talent Retention (including Training and Education)

| FY2023 Performance                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▶ In FY2023, the permanent employees of the Group achieved an average of approximately 23 training hours. The target of achieving an average of at least 20 training hours for all permanent employees was successfully achieved.</li> </ul>                                                                             |
| FY2024 Target                                                                                                                                                                                                                                                                                                                                                   |
| <ul style="list-style-type: none"> <li>▶ Short-term target: All permanent employees complete at least 20 hours of training per year, in order to achieve the adequate level of training for their scope of work.</li> <li>▶ Medium-term target: Establish and execute internal training programmes aimed at enhancing employee skills and expertise.</li> </ul> |

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

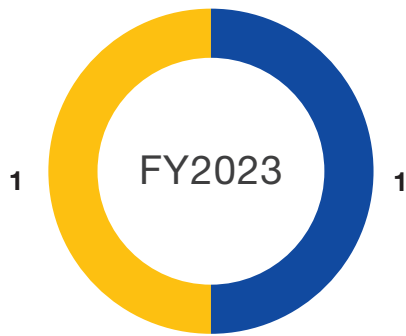
The Group also demonstrates care for its employees through comprehensive welfare and benefits schemes, including, but not limited to, healthcare, dental, disability and invalidity coverage as well as retirement provision for full-time employee. Full-time employees are also entitled to different leave types, such as annual leave, parental leave, childcare leave, medical and hospitalisation leave, etc. In FY2023, 2 female employees took parental leave. All of these employees returned to work in FY2023 after their parental leave had ended. Therefore, the return-to-work rate is 100% in FY2023. 2 female employees that returned to work after their parental leave had ended in FY2022 were still employed by the Group 12 months after their return to work.

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

# SUSTAINABILITY REPORT

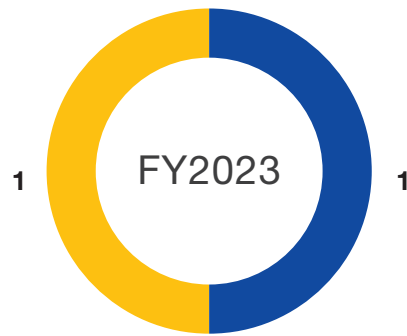
For FY2023, all employees of the Group are located in Singapore. The new employee hiring rate<sup>1</sup> and the employee turnover rate<sup>2</sup> were at 9% and 70% respectively. The breakdown of the new employees hired and turnover of the Group by age group and gender in FY2023 is as follows:

**New employee hire – by age group**



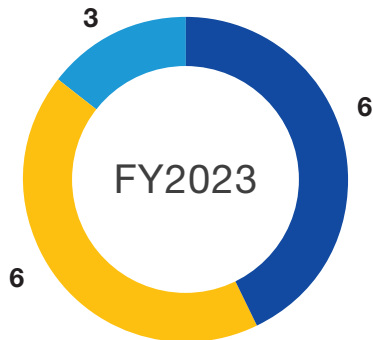
● <30 years old ● 30-50 years old ● >50 years old

**New employee hire – by gender**



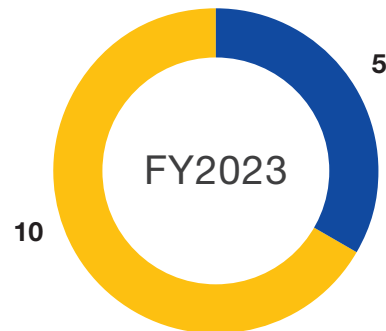
● Male ● Female

**Turnover – by age group**



● <30 years old ● 30-50 years old ● >50 years old

**Turnover – by gender**



● Male ● Female

<sup>1</sup> The methodology for calculating the new employee hiring rate has been revised to ensure accuracy. The rate is calculated by dividing the total number of new employee hires during FY2023 by the average of the total number of employees at the beginning and end of FY2023.

<sup>2</sup> The methodology for calculating the employee turnover rate has been revised to ensure accuracy. The rate is calculated by dividing the total number of employees leaving employment during FY2023 by the average of the total number of employees at the beginning and end of FY2023.



# SUSTAINABILITY REPORT

## Training and Education

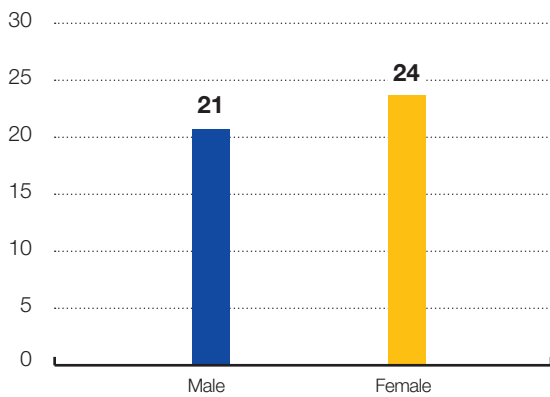
The Group believes in investing in and strengthening its employees' technical, functional and behavioural competencies in line with their job requirements and career aspirations. This is done by providing learning and development opportunities to the employees. These opportunities can be in the form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

The Company is certified with ISO 13485:2016<sup>3</sup> and has developed a standard operating procedure within the ISO 13485:2016 framework to identify training needs, execute training programs and maintain records of training to ensure proper assignment of job functions to its employees.

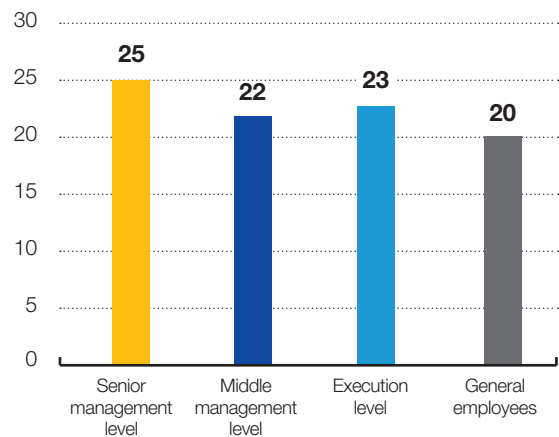
Any additional training needs are identified and reviewed annually, and the Group encourages its employees to acquire new skills and keep abreast of developments in their respective fields. Employees are given opportunities to attend external courses or trainings that are relevant or will assist in their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

In FY2023, all employees received a regular performance and career development review, and employees of the Group achieved an average of approximately 23<sup>4</sup> training hours. The details of the average training hours per employee in FY2023 are as follows:

**Average training hours per employee – by gender**



**Average training hours per employee – by employee category**



<sup>3</sup> ISO 13485:2016 – Medical devices – Quality management systems – Requirements for regulatory purposes.

<sup>4</sup> Number has been rounded up.

# SUSTAINABILITY REPORT

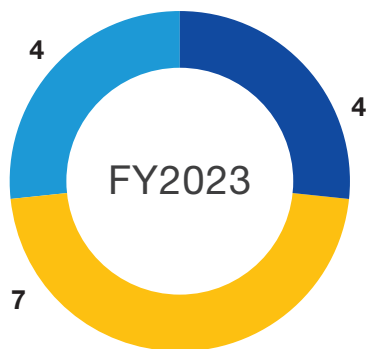
## Diversity, Equal Opportunity and Non-discrimination

| FY2023 Performance                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▶ In FY2023, no incidents of discrimination were reported. The target of achieving zero reported incidents of discrimination was successfully achieved.</li> <li>▶ Approximately 67% of employees are female. The target of maintaining at least 50% of employees to be female was successfully achieved.</li> </ul> |
| FY2024 Target                                                                                                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>▶ Short-term target: Achieve zero reported incidents of discrimination.</li> <li>▶ Medium-term target: Maintain at least 50% of employees to be female.</li> <li>▶ Long-term target: Continue to implement fair employment practices in adherence to relevant laws and regulations.</li> </ul>                       |

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

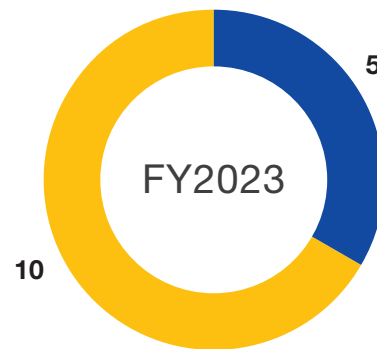
As at 31 December 2023, the Group's workforce totalled 15 employees, all of whom were permanent and full-time employees employed in Singapore. Male and female employees represented approximately 33% and 67% of the employee base respectively. The Board consists of 5 male directors and 1 female director, with 1 between the ages of 30 and 50 and 5 above the age of 50. The breakdown of employees by age group and by gender in FY2023 is as follows:

**Total number of employees – by age group**



● <30 years old ● 30-50 years old ● >50 years old

**Total number of employees – by gender**



● Male ● Female

# SUSTAINABILITY REPORT

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

|                   | Senior management level | Middle management level | Execution level | General employees |
|-------------------|-------------------------|-------------------------|-----------------|-------------------|
| Male              | 2                       | –                       | 2               | 1                 |
| Female            | –                       | 2                       | 8               | –                 |
| <30 years old     | –                       | –                       | 4               | –                 |
| 30 – 50 years old | 1                       | 2                       | 4               | –                 |
| >50 years old     | 1                       | –                       | 2               | 1                 |

## Research and Development/Innovation

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

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

In FY2023, the target of enhancing collaboration was successfully achieved, as staffs' secondment were made to an existing partner on laboratory services. As part of its strategic direction, the Group is actively pursuing diversification into New Businesses and scaling down efforts in the research and innovation of the cancer diagnosis segment. For the upcoming years, our focus will be on adapting to emerging opportunities and aligning our efforts with the evolving business landscape.

## Customer Privacy

| FY2023 Performance                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▶ In FY2023, there were no known cases concerning breaches of customer privacy, identified leaks, thefts or losses of customer data. The target of maintaining zero known cases concerning breaches of customer privacy, identified leaks, thefts or losses of customer data was successfully achieved.</li> </ul> |
| FY2024 Target                                                                                                                                                                                                                                                                                                                                             |
| <ul style="list-style-type: none"> <li>▶ Short-term target: Maintain zero known cases concerning breaches of customer privacy, identified leaks, thefts or losses of customer data.</li> <li>▶ Long-term target: Ensure strict compliance with relevant laws and regulations relating to customer privacy.</li> </ul>                                     |

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

The Group adheres to and upholds the provisions of the Personal Data Protection Act 2012 as it seeks to use its patients' data to serve them responsibly. Within the laboratory, patients' consent is obtained via forms for collection of personal data prior to the collection. The use, disclosure and processing of personal data is limited to healthcare and related use only. Should a request for a transfer of patient data arise, the data is transferred to other referral laboratories or other service providers via email in a password-protected zip file or via any encrypted programme or link requested by the client. The Group collects the minimum amount of information absolutely needed in providing its services.

Entry to the Group's laboratories is restricted to access pass holders and the storage area for patient reports and data is restricted to authorised personnel. As a means of preventing the leakage of private and confidential information, a Non-Disclosure Agreement is in place and information and patient data are securely stored and encrypted.

# SUSTAINABILITY REPORT

## Product Quality and Safety

### FY2023 Performance

- ▶ In FY2023, the target of achieving an average customer satisfaction rating of 80% with the ClearCell® FX1 System, based on at least 5 responses to the customer survey, was successfully achieved.
- ▶ In FY2023, the targets of achieving a 100% pass rate for the ClearCell® FX1 System prior to release and maintaining the CTChip® FRI biochip failure rate due to leaky chips below 5% were successfully achieved, hence resulting in cost savings that improve financial performance.
- ▶ In FY2023, the target of acknowledging 100% of customer feedback/complaints was successfully achieved.
- ▶ In FY2023, the targets of completing all Corrective and Preventive Action (“**CAPA**”) investigations and implementing proposed CAPA within 1 month and 3 months, respectively, were successfully achieved.
- ▶ In FY2023, there were no product recalls. The target of maintaining zero product recall was successfully achieved, hence resulting in cost savings that improve financial performance.

### FY2024 Target

- ▶ Short-term target: Achieve an average customer satisfaction rating of 80% with the ClearCell® FX1 System, based on at least 5 responses to the customer survey.
- ▶ Short-term target: Achieve a 100% pass rate for the ClearCell® FX1 System prior to release and maintain the CTChip® FRI biochip failure rate due to leaky chips below 5%.
- ▶ Short-term target: Maintain zero product recall.
- ▶ Medium-term target: Acknowledge 100% customer feedback/complaints within 7 days.
- ▶ Medium-term target: Complete all CAPA investigations and implement proposed CAPA actions within 1 month and 3 months, respectively.

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

The Group's quality assurance capabilities have been recognised through its ISO 13485:2016 certification.

The Group is governed by the guidelines on procedures for the control of records and documents, resource management, product realisation and the monitoring of processes. The following processes are monitored by the Group:

- ▶ Annual internal audit;
- ▶ Engaging 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 13485:2016 framework.

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



# SUSTAINABILITY REPORT

## SOCIAL AND GOVERNANCE

### Anti-corruption

#### FY2023 Performance

- ▶ In FY2023, there were no confirmed incidents of corruption/public legal cases regarding corruption brought against the Group. The target of maintaining zero confirmed incidents of corruption/public legal cases regarding corruption brought against the Group was successfully achieved.

#### FY2024 Target

- ▶ Short-term target: Maintain zero confirmed incidents of corruption/public legal cases regarding corruption brought against the Group.
- ▶ Medium-term target: Provide regular anti-corruption training to employees.

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

The Group conducted risk assessment related to corruption in all its operations, and no significant risks related to corruption was identified through the risk assessment in FY2023.

The Group also regularly conducts anti-corruption and ethics training for its Directors and relevant employees. All Directors had received anti-corruption training, while new Directors will attend mandatory courses that would be relevant to anti-corruption training provided by the Singapore Institute of Directors. Anti-corruption training aims at familiarising the Directors with their roles and responsibilities in ethics management, managerial staff with their roles of managing staff integrity, assessing the risks and preventing corruption in the workplace, and the general staff with the skills to handle ethical dilemmas at work.

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

# SUSTAINABILITY

## REPORT

### GOVERNANCE

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

#### Environmental and Socioeconomic Compliance

##### FY2023 Performance

- ▶ In FY2023, there were no instances of non-compliance with laws and regulations in the environmental, social and economic areas. The target of maintaining zero non-compliance with laws and regulations in the environmental, social and economic areas was successfully achieved.

##### FY2024 Target

- ▶ Short-term target: Maintain zero non-compliance with laws and regulations in the environmental, social and economic areas.
- ▶ Medium-term target: Continue to conduct environmental, social and economic compliance training for all new hires.

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

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

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

To ensure that employees of the Group are aware of the relevant regulatory requirements, the Group has included the above activities in the employee training programme.

# SUSTAINABILITY REPORT

## SGX CONTENT INDEX

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

## GRI CONTENT INDEX

|                         |                                                                                                                                                                            |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Statement of Use</b> | Biolidics Limited has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards. |
| <b>GRI 1 Used</b>       | GRI 1: Foundation 2021                                                                                                                                                     |

| GRI Indicator                          | Description                                                      | Session/Explanation                                                                                                                                                                                                                     |
|----------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GRI 2: General Disclosures 2021</b> |                                                                  |                                                                                                                                                                                                                                         |
| 2-1                                    | Organisational details                                           | <ul style="list-style-type: none"> <li>Legal name: Biolidics Limited</li> <li>Nature of ownership and legal form: listed company on Catalist of SGX-ST</li> <li>Location of headquarters and country of operation: Singapore</li> </ul> |
| 2-2                                    | Entities included in the organisation's sustainability reporting | Sustainability Report – About this Report                                                                                                                                                                                               |
| 2-3                                    | Reporting period, frequency and contact point                    | <ul style="list-style-type: none"> <li>Reporting period: 1 January 2023 to 31 December 2023</li> <li>Reporting frequency: annually</li> <li>Publication date: 12 April 2024</li> <li>Contact point: support@biolidics.com</li> </ul>    |
| 2-5                                    | External assurance                                               | Sustainability Report – About this Report                                                                                                                                                                                               |
| 2-6                                    | Activities, value chain and other business relationships         | Corporate Profile; Corporate Information                                                                                                                                                                                                |
| 2-7                                    | Employees                                                        | Sustainability Report – Social: Diversity, Equal Opportunity and Non-discrimination                                                                                                                                                     |

# SUSTAINABILITY

## REPORT

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



# SUSTAINABILITY REPORT

| GRI Indicator                        | Description                                                                                        | Session/Explanation                                                                                                                      |
|--------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GRI 205: Anti-corruption 2016</b> |                                                                                                    |                                                                                                                                          |
| 3-3                                  | Management of material issues                                                                      | Sustainability Report – Social and Governance: Anti-corruption                                                                           |
| 205-1                                | Operations assessed for risks related to corruption                                                | Sustainability Report – Social and Governance: Anti-corruption                                                                           |
| 205-2                                | Communication and training about anti-corruption policies and procedures                           | Sustainability Report – Social and Governance: Anti-corruption                                                                           |
| 205-3                                | Confirmed incidents of corruption and actions taken                                                | Sustainability Report – Social and Governance: Anti-corruption                                                                           |
| <b>GRI 305: Emissions 2016</b>       |                                                                                                    |                                                                                                                                          |
| 3-3                                  | Management of material issues                                                                      | Sustainability Report – Environmental: Climate Change Mitigation and Adaptation                                                          |
| 305-2                                | Energy indirect (Scope 2) GHG emissions                                                            | Sustainability Report – Environmental: Climate Change Mitigation and Adaptation                                                          |
| 305-4                                | GHG emissions intensity                                                                            | Sustainability Report – Environmental: Climate Change Mitigation and Adaptation                                                          |
| <b>GRI 306: Waste 2020</b>           |                                                                                                    |                                                                                                                                          |
| 3-3                                  | Management of material issues                                                                      | Sustainability Report – Social and Environmental: Occupational Health and Safety (including Effluents and Waste)                         |
| 306-2                                | Management of significant waste-related impacts                                                    | Sustainability Report – Social and Environmental: Occupational Health and Safety (including Effluents and Waste)                         |
| <b>GRI 401: Employment 2016</b>      |                                                                                                    |                                                                                                                                          |
| 3-3                                  | Management of material issues                                                                      | Sustainability Report – Social: Talent Retention (including Training and Education), Diversity, Equal Opportunity and Non-discrimination |
| 401-1                                | New employee hires and employee turnover                                                           | Sustainability Report – Social: Talent Retention (including Training and Education)                                                      |
| 401-2                                | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Sustainability Report – Social: Talent Retention (including Training and Education)                                                      |
| 401-3                                | Parental leave                                                                                     | Sustainability Report – Social: Talent Retention (including Training and Education)                                                      |

# SUSTAINABILITY REPORT

| GRI Indicator                                        | Description                                                                             | Session/Explanation                                                                                              |
|------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>GRI 403: Occupational Health and Safety 2018</b>  |                                                                                         |                                                                                                                  |
| 3-3                                                  | Management of material issues                                                           | Sustainability Report – Social and Environmental: Occupational Health and Safety (including Effluents and Waste) |
| 403-1                                                | Occupational health and safety management system                                        | Sustainability Report – Social and Environmental: Occupational Health and Safety (including Effluents and Waste) |
| 403-2                                                | Hazard identification, risk assessment, and incident investigation                      | Sustainability Report – Social and Environmental: Occupational Health and Safety (including Effluents and Waste) |
| 403-4                                                | Worker participation, consultation, and communication on occupational health and safety | Sustainability Report – Social and Environmental: Occupational Health and Safety (including Effluents and Waste) |
| 403-5                                                | Worker training on occupational health and safety                                       | Sustainability Report – Social and Environmental: Occupational Health and Safety (including Effluents and Waste) |
| 403-9                                                | Work-related injuries                                                                   | Sustainability Report – Social and Environmental: Occupational Health and Safety                                 |
| <b>GRI 404: Training and Education 2016</b>          |                                                                                         |                                                                                                                  |
| 3-3                                                  | Management of material issues                                                           | Sustainability Report – Social: Talent Retention (including Training and Education)                              |
| 404-1                                                | Average hours of training per year per employee                                         | Sustainability Report – Social: Talent Retention (including Training and Education)                              |
| 404-3                                                | Percentage of employees receiving regular performance and career development reviews    | Sustainability Report – Social: Talent Retention (including Training and Education)                              |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b> |                                                                                         |                                                                                                                  |
| 3-3                                                  | Management of material issues                                                           | Sustainability Report – Social: Diversity, Equal Opportunity and Non-discrimination                              |
| 405-1                                                | Diversity of governance bodies and employees                                            | Sustainability Report – Social: Diversity, Equal Opportunity and Non-discrimination                              |
| <b>GRI 406: Non-discrimination 2016</b>              |                                                                                         |                                                                                                                  |
| 3-3                                                  | Management of material issues                                                           | Sustainability Report – Social: Diversity, Equal Opportunity and Non-discrimination                              |
| 406-1                                                | Incidents of discrimination and corrective actions taken                                | Sustainability Report – Social: Diversity, Equal Opportunity and Non-discrimination                              |

# SUSTAINABILITY REPORT

| GRI Indicator                         | Description                                                                                  | Session/Explanation                              |
|---------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>GRI 418: Customer Privacy 2016</b> |                                                                                              |                                                  |
| 3-3                                   | Management of material issues                                                                | Sustainability Report – Social: Customer Privacy |
| 418-1                                 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Sustainability Report – Social: Customer Privacy |

# CORPORATE GOVERNANCE

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

For FY2023, the Board has reviewed its corporate governance practices and ensured that they are in compliance with the applicable provisions of the Code of Corporate Governance 2018 (the “**Code**”) issued by the Monetary Authority of Singapore and the disclosure guide developed by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in January 2015.

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

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

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

## BOARD MATTERS

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

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

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

|                                       |                                                                 |
|---------------------------------------|-----------------------------------------------------------------|
| Gavin Mark McIntyre                   | Non-Executive Independent Chairman (“ <b>Chairman</b> ”)        |
| Song Tang Yih                         | Executive Director and Chief Executive Officer (“ <b>CEO</b> ”) |
| Zhu Hua <sup>(1)</sup>                | Non-Executive Non-Independent Director                          |
| Ian David Brown                       | Independent Director                                            |
| Liew Yoke Pheng Joseph <sup>(2)</sup> | Independent Director                                            |
| Ch’ng Li-Ling                         | Independent Director                                            |

(1) Mr Zhu Hua was appointed as a Non-Executive Non-Independent Director on 1 December 2023.

(2) Mr Liew Yoke Pheng Joseph was appointed as an Independent Director on 27 November 2023.

### **Role of the Board**

The Board is committed to achieving and maintaining high standards of corporate governance and the Company sets out principles and general guidelines for the Directors who are required to abide by any applicable laws or legislation, including the Catalist Rules and the Companies Act 1967 of Singapore (the “**Companies Act**”). This set of principles and guidelines covers aspects such as Board composition and balance, Board diversity, tenure, maximum number of directorships, Board member selection, code of conduct for the avoidance of conflicts of interest, and dealing in the shares of the Company.



# CORPORATE GOVERNANCE

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

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

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

## Delegation by the Board

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

## Composition of the Board Committees

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

| Board Committee Designation | AC                                                    | NC                                                       | RC                                   |
|-----------------------------|-------------------------------------------------------|----------------------------------------------------------|--------------------------------------|
| Chairman                    | Liew Yoke Pheng Joseph <sup>(1)</sup>                 | Ch'ng Li-Ling <sup>(1)</sup>                             | Ian David Brown                      |
| Members                     | Gavin Mark McIntyre <sup>(1)</sup><br>Ian David Brown | Ian David Brown<br>Liew Yoke Pheng Joseph <sup>(1)</sup> | Ch'ng Li-Ling<br>Gavin Mark McIntyre |

### Note:

- (1) On 27 November 2023, Mr Liew Yoke Pheng Joseph was appointed as an Independent Director, Chairman of the AC and member of the NC. Ms Ch'ng Li-Ling ceased to be a member of the AC. Mr Gavin Mark McIntyre stepped down as Chairman of the AC but remained as a member of the AC, and ceased to be a member of the NC.

# CORPORATE GOVERNANCE

## **Board Meetings and Attendance**

The attendance of the Directors at the Board and Board Committee meetings for FY2023 are as follows:

| <b>Name</b>                           | <b>Board</b>                       | <b>AC</b>                          | <b>NC</b>                          | <b>RC</b>                          |
|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                       | <b>Number of meetings held: 6</b>  | <b>Number of meetings held: 4</b>  | <b>Number of meeting held: 1</b>   | <b>Number of meetings held: 1</b>  |
|                                       | <b>Number of meetings attended</b> | <b>Number of meetings attended</b> | <b>Number of meetings attended</b> | <b>Number of meetings attended</b> |
| Gavin Mark McIntyre <sup>(1)</sup>    | 6                                  | 4 (Chairman)                       | 1 (Member)                         | 1 (Member)                         |
| Chia Beng Kwan <sup>(2)</sup>         | 1                                  | 1 (Member)                         | 1 (Chairman)                       | 1 (Member)                         |
| Ch'ng Li-Ling <sup>(3)</sup>          | 5                                  | 2 (Member)                         | NA                                 | NA                                 |
| Ian David Brown                       | 6                                  | 4 (Member)                         | 1 (Member)                         | 1 (Chairman)                       |
| Song Tang Yih                         | 6                                  | NA                                 | NA                                 | NA                                 |
| Liew Yoke Pheng Joseph <sup>(1)</sup> | NA                                 | NA                                 | NA                                 | NA                                 |
| Zhu Hua <sup>(4)</sup>                | NA                                 | NA                                 | NA                                 | NA                                 |

NA – Not Applicable

### **Notes:**

- (1) On 27 November 2023, Mr Liew Yoke Pheng Joseph was appointed as an Independent Director, Chairman of the AC and a member of the NC. Mr Gavin Mark McIntyre stepped down as Chairman of the AC but remained as a member of the AC and ceased to be a member of the NC.
- (2) On 28 April 2023, Mr Chia Beng Kwan retired as an Independent Director and ceased to be the Chairman of the NC and a member of the AC and RC.
- (3) On 31 March 2023, Ms Ch'ng Li-Ling was appointed as the Chairman of NC and a member of AC and RC. Ms Ch'ng Li-Ling ceased to be a member of the AC on 27 November 2023.
- (4) On 1 December 2023, Mr Zhu Hua was appointed as a Non-Executive Non-Independent Director.

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

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

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

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

# CORPORATE GOVERNANCE

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

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

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

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

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

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

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

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

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

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

Ms Ch'ng Li-Ling and Mr Liew Yoke Pheng Joseph were appointed as Directors of the Company during FY2023. Both Ms Ch'ng Li-Ling and Mr Liew Yoke Pheng Joseph have prior experience as a Director of other listed companies in Singapore.

# CORPORATE GOVERNANCE

Mr Zhu Hua was appointed as a director on 1 December 2023 and has at the date of this report, completed the Listed Entity Director Programme conducted by the Singapore Institute of Directors.

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 Catalyst 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 Catalyst Rules are complied with.

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

## **Independent Professional Advice**

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

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

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

## **Independent Directors**

As at the date of this annual report, the Board comprises 6 Directors, 4 of whom are independent, which complies with Rule 406(3)(c) of the Catalyst Rules that requires Independent Directors to, among others, make up at least one-third of the Board.



# CORPORATE GOVERNANCE

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

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

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

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

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

There is no Independent Director who has served beyond 9 years since the date of his/her first appointment.

## ***Board Diversity Policy***

As at the date of this annual report, the Board comprises 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 the Company's strategic objectives for sustainable and balanced development.

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

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.

## CORPORATE GOVERNANCE

The Board's objective in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Company. As at the date of this annual report, the Board comprises 5 male Directors and 1 female Director. The Company continues to be receptive to achieving greater gender diversity and representation on the Board to complement the core competencies of the Board as a whole.

The Board is of the view that the current board size is appropriate to effectively facilitate decision making in relation to the operations of the Company, taking into account the nature and scope of the Group's operations. The increase in the board size over the last 6 months is to facilitate the Group's diversification in the new businesses in relation to multi-channel networking, livestreaming and Esports. The Board believes that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Company. The NC is also of the view that the current Board members comprise persons with a broad range of expertise and experience in diverse areas including accounting, finance, legal, business and management, technology, strategic planning and business experience.

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

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

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

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

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

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

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

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

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

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

# CORPORATE GOVERNANCE

The Chairman leads the Board discussions and ensures the effectiveness of the Board. He oversees the scheduling of Board meetings when necessary, establishes 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. Additionally, he chairs the Board meetings and encourages the Board members to present their views on topics under discussion at the meetings, while also playing a role in upholding compliance with the Company's guidelines on corporate governance.

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

### **Lead Independent Director**

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

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

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

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

## **Principle 4 Board Membership**

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

### **Nominating Committee**

As at the date of this annual report, the NC comprises 3 members, all of whom, including the chairman, are Independent Directors. The members of the NC as at the date of this annual report are as follows:

|                        |          |
|------------------------|----------|
| Ch'ng Li-Ling          | Chairman |
| Liew Yoke Pheng Joseph | Member   |
| Ian David Brown        | Member   |

## CORPORATE GOVERNANCE

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

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

### ***Board Representations***

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

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

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

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

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



# CORPORATE GOVERNANCE

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

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

### **Board Nomination Process**

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

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

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

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

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

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

## CORPORATE GOVERNANCE

At the forthcoming AGM of the Company, the following Directors will be retiring pursuant to the Company's Constitution:

- (1) Mr Gavin Mark McIntyre and Mr Ian David Brown (Regulation 97)
- (2) Mr Liew Yoke Pheng Joseph and Mr Zhu Hua (Regulation 103)

(the "**Retiring Directors**").

The NC has recommended that Retiring Directors be nominated for re-election at the forthcoming AGM. The NC in making the recommendation, had considered the overall contributions and performance and competencies of Mr Gavin Mark McIntyre and Mr Ian David Brown in fulfilling their responsibilities as the Independent Directors of the Company. For Mr Liew Yoke Pheng Joseph and Mr Zhu Hua, who joined the Board on 27 November 2023 and 1 December 2023 respectively, the NC had considered their experiences, qualifications, skill sets and competencies and is of the view that their continual appointment would be beneficial to the Board and to the Company.

The Retiring Directors have offered themselves for re-election at the forthcoming AGM and the Board has accepted the NC's recommendation. Please refer to the Notice of AGM for the resolutions put forth in relation to the respective re-elections and details of the Retiring Directors including the information required under Appendix 7F of the Catalist Rules disclosed in pages 121 to 129 of this Annual Report.

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

The Independent Directors have declared their independence for FY2023 in accordance with the Code. Following its annual review, for FY2023, the NC considered Mr Gavin Mark McIntyre, Ms Ch'ng Li-Ling, Mr Ian David Brown and Mr Liew Yoke Pheng Joseph to be independent.

For FY2023, 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 FY2023, the NC is satisfied that sufficient time and attention have been given by the Directors to the affairs of the Group and is of the opinion that each of the Directors is able to and have been adequately carrying out his duties as a Director, notwithstanding that some of the Directors have multiple board representations. None of the Directors had appointed an alternate director in FY2023.

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/she has an interest.

### **Directors' Key Information**

Key information regarding the Directors such as their date of first appointment, directorship(s) held in other listed companies and principal commitments are set out on pages 7 to 9 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.*

# CORPORATE GOVERNANCE

## ***Performance Criteria***

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

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

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

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

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

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

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

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

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

The NC, having reviewed the overall performance of the Board, the Board Committees and individual Directors, is of the view that the performance of the Board as a whole and the Board Committees has been satisfactory and met the performance objectives in FY2023. The evaluation process of the overall performance of the Board, the Board Committees and individual Directors was conducted without an external facilitator in FY2023.

# 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:

|                     |          |
|---------------------|----------|
| Ian David Brown     | Chairman |
| Gavin Mark McIntyre | Member   |
| Ch'ng Li-Ling       | Member   |

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/her 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 FY2023.

## **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.



## CORPORATE GOVERNANCE

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

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

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

The Plan is administered by the RC.

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

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

On 28 February 2023, the Company granted Awards of which up to 70,418,300 shares will be issued upon the vesting of such Awards (the “**FY2023 Awards**”) to the relevant Participants of the Group under the Plan. On the vesting period of the FY2023 Awards, (a) 28,258,700 shares were vested on the date of the grant and were allotted and issued in March 2023; (b) up to 21,079,800 FY2023 Awards had lapsed and were forfeited as at 31 December 2023; and (c) up to 21,079,800 FY2023 Awards will vest within 2 months from 1 January 2025, subject to the achievement of predetermined performance targets.

### **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 for FY2023 is as follows:

| Name of Director              | Salary<br>(%) | Benefits<br>(%) | Bonus<br>(%) | Share-<br>based<br>payment<br>(vested)<br>(%) | Directors'<br>fee<br>(%) | Total<br>(%) |
|-------------------------------|---------------|-----------------|--------------|-----------------------------------------------|--------------------------|--------------|
| <b>Below S\$250,000</b>       |               |                 |              |                                               |                          |              |
| Song Tang Yih                 | 92            | –               | 8            | –                                             | –                        | 100          |
| Gavin Mark McIntyre           | –             | –               | –            | –                                             | 100                      | 100          |
| Ch'ng Li-Ling                 | –             | –               | –            | –                                             | 100                      | 100          |
| Ian David Brown               | –             | –               | –            | –                                             | 100                      | 100          |
| Liew Yoke Pheng Joseph        | –             | –               | –            | –                                             | 100                      | 100          |
| Zhu Hua <sup>(1)</sup>        | –             | –               | –            | –                                             | –                        | –            |
| Chia Beng Kwan <sup>(2)</sup> | –             | –               | –            | –                                             | 100                      | 100          |

**Notes:**

- (1) Mr Zhu Hua was appointed as a Non-Executive Non-Independent Director on 1 December 2023. The Director's fee payable to him for FY2023 is NIL.
- (2) Mr Chia Beng Kwan retired as Director of the Company on 28 April 2023 and the Director's fee payable to him is from 1 January 2023 to 28 April 2023.

No compensation was paid in the form of share awards to the Directors in FY2023. There were no terminations, retirements and/or post-employment benefits granted to the Directors in FY2023.

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

The breakdown of the total remuneration of the Group's key management personnel (who are not Directors) for FY2023 is as follows:

| Name of key management<br>personnel <sup>(1)</sup> | Salary<br>(%) | Benefits<br>(%) | Share-<br>based<br>payment<br>(vested)<br>(%) | Bonus<br>(%) | Total<br>(%) |
|----------------------------------------------------|---------------|-----------------|-----------------------------------------------|--------------|--------------|
| <b>Below S\$250,000</b>                            |               |                 |                                               |              |              |
| Siu Yeung Sau                                      | 92            | –               | –                                             | 8            | 100          |

No compensation was paid in the form of share awards to the key management personnel of the Group in FY2023. There were no terminations, retirements or post-employment benefits granted to the Group's key management personnel in FY2023.

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 an 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 FY2023 was below S\$250,000.

## CORPORATE GOVERNANCE

### ***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 FY2023.

### ***Performance Criteria for Remuneration***

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

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

## **ACCOUNTABILITY AND AUDIT**

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

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

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

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

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

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

The Board has obtained the following assurance from the CEO and FC in respect of FY2023:

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

## CORPORATE GOVERNANCE

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 FY2023. The AC concurs with the Board's comments. During FY2023, there were no material weaknesses identified in the Company's internal controls or risk management systems.

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

### **Principle 10**    **Audit Committee**

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

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

|                        |          |
|------------------------|----------|
| Liew Yoke Pheng Joseph | Chairman |
| Gavin Mark McIntyre    | Member   |
| Ian David Brown        | Member   |

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 advise 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.



# CORPORATE GOVERNANCE

## **Qualifications of AC**

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

Mr Liew Yoke Pheng Joseph is a Certified Information Systems Auditor, a Certified Fraud Examiner, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (United Kingdom). Mr Gavin Mark McIntyre is a non-practicing CPA with CPA Australia and has extensive accounting and financial management knowledge and exposure. Mr Ian David Brown has accumulated accounting and related financial management expertise and experience from their previous senior management roles.

## **Authority of AC**

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

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

## **Internal Audit**

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

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

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

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

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

Based on the scope of work performed by the internal auditors for FY2023, 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 FY2023.

## **Independence of External Auditors**

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

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

The Company's external auditors, Baker Tilly TFW LLP ("**BT**"), has notified to the Company that they will not be seeking for re-appointment at the forthcoming AGM. The AC had recommended, and the Board had approved the nomination of PKF-CAP LLP as the proposed new external auditors in place of BT for the financial year ending 31 December 2024, subject to the approval of shareholders. Please refer to the Appendix in relation to the proposed appointment of Auditors to this annual report for further details.

The fees paid/payable to the BT for audit services for the FY2023 were S\$120,000. There were no non-audit fees paid to the BT for the FY2023.

## **Whistle-blowing Policy**

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

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

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

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

For FY2023, there were no complaints, concerns or issues received by the AC.

## **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.

# CORPORATE GOVERNANCE

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

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

### ***Dividend Policy***

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

No dividend was declared by the Company for FY2023 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 a national newspaper and announced on SGXNET.

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

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

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

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.

## CORPORATE GOVERNANCE

Directors (including the respective chairman of the Board Committees) will be present at general meetings, to address Shareholder's queries. The external auditors are also required to be present to address Shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. At the Company's last AGM held on 28 April 2023, all the then Directors were present.

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

The AGM of the Company is to be held within four months after the end of the financial year.

The Company will be holding its AGM for FY2023 on 29 April 2024, details of which are disclosed in the Notice of AGM. The Notice of AGM is also advertised in a daily newspaper in Singapore within the mandatory period.

In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts, annual reports and circulars to Shareholders will be published on the Company's corporate website and at the SGXNET and available for viewing or downloading by the shareholders. Printed copies of the Annual Report and/or Circular will only be mailed to shareholders upon their request via a request form.

The Notice of AGM, proxy form and request form (to request for physical copy annual reports) for the FY2023 AGM will be sent to members via mail and the documents will also be published on the Company's website at the URL <http://www.biolidics.com> and made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders can also access to the Company's financial information, corporate announcements, press releases, annual reports, circulars and profile of the Group on the Company's website at <http://www.biolidics.com>.

For the forthcoming AGM, shareholders may submit questions relating to resolutions to be tabled for approval at the AGM by no later than 19 April 2024. The Company shall only address relevant and substantial questions and any subsequent clarifications sought, or follow-up questions in respect of such questions and will publish its response to those questions on the SGXNET and the Company's website by 24 April 2024. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after 19 April 2024 which have not already been addressed prior to the AGM, at the AGM itself.

Shareholders who are attending the AGM may also submit their substantial and relevant queries relating to the agenda of the meeting during the course of the meetings, which the Management and the Board of Directors will address accordingly.

All resolutions are put to vote by poll in all the Company's general meetings and is integral in the enhancement of corporate governance. For cost effectiveness, the voting of the resolutions at the general meetings are conducted by manual polling and their detailed results are announced at the meeting. The voting results of each of the resolutions tabled are announced on the same day after the general meeting via SGXNET.

### **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.*

# CORPORATE GOVERNANCE

## **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 [alex.tan@8prasia.com](mailto:alex.tan@8prasia.com).

## **Principle 13 Managing Stakeholders Relationships**

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

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

The Company maintains a corporate website at <http://www.biolidics.com> to communicate and engage stakeholders. For more information on the stakeholders' engagements, refer to page 17 of this annual report.

### **Material Contracts**

Save as disclosed in the section below entitled "Interested Person Transactions" of this corporate governance report and the Service Agreement, there were no material contracts of the Group involving the interests of the CEO, any Director or controlling Shareholder which are either still subsisting at the end of FY2023 or, if not then subsisting, entered into since the end of FY2022.

### **Interested Person Transactions ("IPTs")**

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.



## CORPORATE GOVERNANCE

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.

The Group has obtained a general mandate on IPT (the “**IPT Mandate**”) from the shareholder in April 2021 and the IPT mandate was renewed and approved by shareholders at the AGM held on 28 April 2022. The Company did not seek the renewal of the IPT mandate at the AGM held on 28 April 2023 and the IPT mandate was lapsed since then.

There were no IPTs with value of or more than S\$100,000 transacted during FY2023.

### **Dealing in Securities**

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

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

### **Non-sponsor Fees**

There was no non-sponsor fee paid to Sponsors in FY2023.

### **Use of Rights Issue Proceeds**

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

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

|                                                                         | <b>Amount allocated<br/>(as disclosed<br/>in the results<br/>of Rights Issue<br/>announcement<br/>dated<br/>23 November<br/>2023)<br/>(S\$ million)</b> | <b>Amount<br/>utilised<br/>as at the<br/>date of<br/>this annual<br/>report<br/>(S\$ million)</b> | <b>Balance<br/>(S\$ million)</b> |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------|
| Working capital requirements of the Group <sup>(1)</sup>                | 3.75                                                                                                                                                    | 3.75                                                                                              | –                                |
| Repayment of existing bank borrowings and/or the Deferred Consideration | 1.67                                                                                                                                                    | 1.67                                                                                              | –                                |
| <b>Total</b>                                                            | <b>5.42</b>                                                                                                                                             | <b>5.42</b>                                                                                       | <b>–</b>                         |

(1) The amount utilised for working capital requirements of the Group as at the date of this announcement was mainly for operating expenses of the Group.

# CORPORATE GOVERNANCE

## *Use of Placement Proceeds*

Pursuant to the issuance of 98,500,000 placement shares on 28 November 2023, the Company received net proceeds of approximately S\$1.11 million. As at the date of this annual report, the placement proceeds have been utilised as follows:

|                                     | <b>Amount allocated<br/>(S\$ million)</b> | <b>Amount utilised<br/>as at the<br/>date of<br/>this annual<br/>report<br/>(S\$ million)</b> | <b>Balance<br/>(S\$ million)</b> |
|-------------------------------------|-------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------|
| Repayment of Deferred Consideration | 1.11                                      | (1.11)                                                                                        | –                                |
| <b>Total</b>                        | <b>1.11</b>                               | <b>(1.11)</b>                                                                                 | <b>–</b>                         |

## *Use of Placement Proceeds*

Pursuant to the issuance of 83,000,000 placement shares on 11 January 2024, the Company received net proceeds of approximately S\$0.93 million. As at the date of this annual report, the placement proceeds have been utilised as follows:

|                                                          | <b>Amount allocated<br/>(S\$ million)</b> | <b>Amount utilised<br/>as at the<br/>date of<br/>this annual<br/>report<br/>(S\$ million)</b> | <b>Balance<br/>(S\$ million)</b> |
|----------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------|
| Working capital requirements of the Group <sup>(1)</sup> | 0.93                                      | (0.93)                                                                                        | –                                |
| <b>Total</b>                                             | <b>0.93</b>                               | <b>(0.93)</b>                                                                                 | <b>–</b>                         |

(1) The amount utilised for working capital requirements of the Group as at the date of this annual report was mainly for operating expenses of the Group.

## DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Biolidics Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

In the opinion of the directors,

- (i) 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 2023 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
- (ii) 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.

### Directors

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

Ian David Brown  
 Song Tang Yih  
 Gavin Mark McIntyre  
 Ch'ng Li-Ling  
 Liew Yoke Pheng Joseph (Appointed on 27 November 2023)  
 Zhu Hua (Appointed on 1 December 2023)

### 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' 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:

| Name of director                        | Shareholdings registered in the name of directors |                | Shareholdings in which directors are deemed to have an interest |                |
|-----------------------------------------|---------------------------------------------------|----------------|-----------------------------------------------------------------|----------------|
|                                         | At beginning of year/date of appointment          | At end of year | At beginning of year/date of appointment                        | At end of year |
| <b>The Company</b><br>(Ordinary shares) |                                                   |                |                                                                 |                |
| Song Tang Yih                           | 775,800                                           | 24,501,500     | –                                                               | –              |
| Zhu Hua                                 | 98,500,000                                        | 98,500,000     | –                                                               | –              |

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

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.

# DIRECTORS' STATEMENT

## Share-Based Payments

As at 31 December 2023, the Company had up to 21,079,800 new ordinary shares in the capital of the Company (“**Award Shares**”) to be issued to certain employees and a director of the Company subject to the vesting of outstanding awards (“**Awards**”) granted under the Biolidics Performance Share Plan (“**Plan**”) upon the achievement of predetermined performance targets, which will vest within 2 months from 1 January 2025. The outstanding 21,079,800 Award Shares represent approximately 3.21% of the total number of issued Shares (excluding treasury shares) as at 31 December 2023.

| Name of Participant | Date of grant | Number of share awards      |                               |                                  | Balance at<br>31 December<br>2023 |
|---------------------|---------------|-----------------------------|-------------------------------|----------------------------------|-----------------------------------|
|                     |               | Balance at<br>date of grant | Vested since<br>date of grant | Forfeited since<br>date of grant |                                   |
| Song Tang Yih       | 28.02.2023    | 46,019,300                  | (23,725,700)                  | (11,146,800)                     | 11,146,800                        |
| Other employees     | 28.02.2023    | 24,399,000                  | (4,533,000)                   | (9,933,000)                      | 9,933,000                         |
|                     |               | 70,418,300                  | (28,258,700)                  | (21,079,800)                     | 21,079,800                        |

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.

## Audit Committee

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

On behalf of the Board of Directors,

Gavin Mark McIntyre  
Director

Song Tang Yih  
Director

1 April 2024

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOLIDICS LIMITED

## 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 (the "Group") as set out on pages 65 to 113, which comprise the balance sheets of the Group and the Company as at 31 December 2023, 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 material accounting policy information.

We do not express an opinion on the accompanying financial statements of the Group and the balance sheet and statement of changes in equity of the Company. 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 for disclaimer of opinion**

#### *Use of going concern assumption*

The Group recorded a net loss of \$2,488,000 and net operating cash outflow of \$1,966,000 for the financial year ended 31 December 2023, and as of that date, the Group's and the Company's total liabilities exceeded the total assets by \$1,989,000 and \$2,064,000 respectively. 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(a) to the financial statements, management has prepared the Group's and Company's financial statements for the financial year ended 31 December 2023 on the basis that the Group and the Company will be able to carry on as a going concern for at least twelve months from the date of authorisation of the financial statements based on factors disclosed in that note. However, based on the information available to us and material uncertainties involved in the use of the going concern assumption, we were unable to obtain sufficient appropriate evidence regarding the appropriateness of the use of the going concern assumption.

In the event the going concern assumption is not appropriate, the financial effects of adjustments to the carrying amounts, and the current and non-current classification of the Group's and Company's assets and liabilities as at 31 December 2023 could be material and pervasive, and we were unable to determine the extent of the adjustments that may be required.

*Comparative information with respect to impairment assessment of the Group's plant and equipment, right-of-use assets, intangible assets and goodwill, and the Company's investments in subsidiaries and other receivable due from a subsidiary*

For the financial year ended 31 December 2022 ("FY2022"), pursuant to management's assessments, the Group recorded a total impairment loss of \$4,042,000 on the Group's plant and equipment, right-of-use assets, intangible assets, and goodwill (collectively, "long-lived assets"). The Company also recorded an impairment loss of \$3,569,000 on the investment in subsidiary, Biomedics Laboratory ("BML") and expected credit loss ("ECL") allowance of \$2,120,000 against the receivable from BML for the financial year ended 31 December 2022. The depreciation and amortisation expenses relating to the mentioned Group's long-lived assets were \$761,000, and \$422,000, respectively for the financial year ended 31 December 2022.

The predecessor auditor in their disclaimer of opinion report on the financial statements for FY2022 expressed that they were unable to determine whether any adjustments might have been necessary with respect to the aforementioned impairment losses, ECL, depreciation and amortisation expenses recorded by the Group and the Company, and the related disclosures for the year ended 31 December 2022 as they are unable to obtain sufficient appropriate evidence on the appropriateness of the carrying and recoverable amount of the aforementioned assets as at 31 December 2021 and they issued a disclaimer of opinion on the financial statements for the financial year ended 31 December 2021.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOLIDICS LIMITED

## **Report on the Audit of the Financial Statements (Continued)**

*Comparative information with respect to 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 (Continued)*

Consequently, for the financial year ended 31 December 2023, we were unable to satisfy ourselves in respect of the possible effect of these matters on the comparability of the above-mentioned current figures and the corresponding figures.

## **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.

## **Other Matter**

The financial statements of the Group for the financial year ended 31 December 2022 were audited by another auditor who expressed a disclaimer opinion on those financial statements on 10 April 2023.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOLIDICS LIMITED

## Report on Other Legal and Regulatory Requirements

In our opinion, 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 the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Foong Chooi Chin.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

1 April 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

|                                                                      | Note   | 2023<br>\$'000 | 2022<br>\$'000 |
|----------------------------------------------------------------------|--------|----------------|----------------|
| <b>Revenue</b>                                                       |        |                |                |
| Other income                                                         | 4      | 1,315          | 2,489          |
| Changes in inventories                                               | 5      | 140            | 305            |
| Raw materials and consumables used                                   |        | (19)           | (216)          |
| Employee benefits expense                                            |        | (575)          | (1,110)        |
| Depreciation expense                                                 | 6      | (1,651)        | (2,879)        |
| Amortisation expense                                                 | 11, 22 | (241)          | (761)          |
| Research and development expense                                     | 12     | -              | (422)          |
| Allowance for expected credit loss                                   | 8      | (31)           | (227)          |
| Other expenses                                                       | 16     | (80)           | (81)           |
| Finance costs                                                        | 7      | (113)          | (168)          |
| <b>Loss before tax</b>                                               | 8      | (2,488)        | (9,850)        |
| Income tax credit                                                    | 9      | -              | 476            |
| <b>Loss for the year</b>                                             |        | (2,488)        | (9,374)        |
| <b>Other comprehensive income:</b>                                   |        |                |                |
| <i>Items that may be reclassified subsequently to profit or loss</i> |        |                |                |
| Effect of translation of foreign operations                          |        | 9              | (54)           |
| <b>Other comprehensive income/(loss) for the year, net of tax</b>    |        | 9              | (54)           |
| <b>Total comprehensive loss for the year</b>                         |        | (2,479)        | (9,428)        |
| <b>Loss per share (cents per share)</b>                              |        |                |                |
| - Basic                                                              | 10     | (0.42)         | (3.33)         |
| - Diluted                                                            | 10     | (0.42)         | (3.33)         |

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

# BALANCE SHEETS

AS AT 31 DECEMBER 2023

|                                                     | Note | Group           |                | Company         |                |
|-----------------------------------------------------|------|-----------------|----------------|-----------------|----------------|
|                                                     |      | 2023<br>\$'000  | 2022<br>\$'000 | 2023<br>\$'000  | 2022<br>\$'000 |
| <b>ASSETS</b>                                       |      |                 |                |                 |                |
| <b>Non-current assets</b>                           |      |                 |                |                 |                |
| Plant and equipment                                 | 11   | 6               | 61             | –               | 1              |
| Right-of-use assets                                 | 22   | 246             | 107            | 114             | 35             |
| Intangible assets                                   | 12   | –               | –              | –               | –              |
| Goodwill                                            | 13   | –               | –              | –               | –              |
| Investments in subsidiaries                         | 14   | –               | –              | –               | –              |
|                                                     |      | <b>252</b>      | 168            | <b>114</b>      | 36             |
| <b>Current assets</b>                               |      |                 |                |                 |                |
| Cash and cash equivalents                           | 15   | 183             | 5,029          | 127             | 4,960          |
| Trade receivables                                   | 16   | 73              | 515            | 3               | 48             |
| Prepayments                                         |      | 83              | 182            | 62              | 168            |
| Other receivables                                   | 17   | 80              | 167            | 61              | 567            |
| Inventories                                         | 18   | 11              | 27             | –               | –              |
|                                                     |      | <b>430</b>      | 5,920          | <b>253</b>      | 5,743          |
| <b>Total assets</b>                                 |      | <b>682</b>      | 6,088          | <b>367</b>      | 5,779          |
| <b>EQUITY AND LIABILITIES</b>                       |      |                 |                |                 |                |
| <b>Current liabilities</b>                          |      |                 |                |                 |                |
| Trade payables                                      | 19   | 19              | 93             | 8               | 4              |
| Other payables                                      | 20   | 524             | 1,211          | 437             | 1,125          |
| Contract liabilities                                | 21   | 90              | 200            | 90              | 200            |
| Lease liabilities                                   | 22   | 202             | 210            | 137             | 117            |
| Borrowings                                          | 23   | 1,080           | 1,050          | 1,080           | 1,050          |
| Provision for reinstatement cost                    |      | 5               | –              | 5               | –              |
| Deferred consideration                              | 24   | –               | 3,244          | –               | 3,244          |
|                                                     |      | <b>1,920</b>    | 6,008          | <b>1,757</b>    | 5,740          |
| <b>Net current (liabilities)/assets</b>             |      | <b>(1,490)</b>  | (88)           | <b>(1,504)</b>  | 3              |
| <b>Non-current liabilities</b>                      |      |                 |                |                 |                |
| Lease liabilities                                   | 22   | 128             | 60             | 61              | 60             |
| Borrowings                                          | 23   | 613             | 1,693          | 613             | 1,693          |
| Provision for reinstatement cost                    |      | 10              | 15             | –               | 5              |
| Deferred consideration                              | 24   | –               | –              | –               | –              |
| Deferred tax liabilities                            | 25   | –               | –              | –               | –              |
|                                                     |      | <b>751</b>      | 1,768          | <b>674</b>      | 1,758          |
| <b>Total liabilities</b>                            |      | <b>2,671</b>    | 7,776          | <b>2,431</b>    | 7,498          |
| <b>Net liabilities</b>                              |      | <b>(1,989)</b>  | (1,688)        | <b>(2,064)</b>  | (1,719)        |
| <b>Equity attributable to owners of the Company</b> |      |                 |                |                 |                |
| Share capital                                       | 26   | 66,536          | 64,358         | 66,536          | 64,358         |
| Foreign currency translation reserve                |      | 22              | 13             | –               | –              |
| Share-based payment reserve                         | 27   | –               | –              | –               | –              |
| Accumulated losses                                  |      | <b>(68,547)</b> | (66,059)       | <b>(68,600)</b> | (66,077)       |
| <b>Total equity</b>                                 |      | <b>(1,989)</b>  | (1,688)        | <b>(2,064)</b>  | (1,719)        |
| <b>Total equity and liabilities</b>                 |      | <b>682</b>      | 6,088          | <b>367</b>      | 5,779          |

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 2023

|                                                                       | Share<br>capital<br>\$'000 | Share-based<br>payment<br>reserve<br>\$'000 | Accumulated<br>losses<br>\$'000 | Total<br>\$'000 |
|-----------------------------------------------------------------------|----------------------------|---------------------------------------------|---------------------------------|-----------------|
| <b>Company</b>                                                        |                            |                                             |                                 |                 |
| <b>2023</b>                                                           |                            |                                             |                                 |                 |
| <b>Balance as at 1 January 2023</b>                                   | <b>64,358</b>              | –                                           | <b>(66,077)</b>                 | <b>(1,719)</b>  |
| Loss for the year, representing total comprehensive loss for the year | –                          | –                                           | <b>(2,523)</b>                  | <b>(2,523)</b>  |
| <i>Transactions with owners, recognised directly in equity:</i>       |                            |                                             |                                 |                 |
| Issuance of new shares                                                | <b>1,784</b>               | –                                           | –                               | <b>1,784</b>    |
| Share issuance expenses                                               | <b>(58)</b>                | –                                           | –                               | <b>(58)</b>     |
| Employee share-based payment - equity settled                         | –                          | <b>452</b>                                  | –                               | <b>452</b>      |
| Reclassification upon issuance of shares                              | <b>452</b>                 | <b>(452)</b>                                | –                               | –               |
| <i>Total transactions with owners, recognised directly in equity</i>  | <b>2,178</b>               | –                                           | –                               | <b>2,178</b>    |
| <b>Balance as at 31 December 2023</b>                                 | <b>66,536</b>              | –                                           | <b>(68,600)</b>                 | <b>(2,064)</b>  |
| <b>2022</b>                                                           |                            |                                             |                                 |                 |
| <b>Balance as at 1 January 2022</b>                                   | 58,883                     | 67                                          | (54,920)                        | 4,030           |
| Loss for the year, representing total comprehensive loss for the year | –                          | –                                           | (11,157)                        | (11,157)        |
| <i>Transactions with owners, recognised directly in equity:</i>       |                            |                                             |                                 |                 |
| Issuance of new shares                                                | 5,698                      | –                                           | –                               | 5,698           |
| Share issuance expenses                                               | (223)                      | –                                           | –                               | (223)           |
| Reversal of employee share-based payment reserve                      | –                          | (35)                                        | –                               | (35)            |
| Reversal of share-based payment reserve for professional fees         | –                          | (32)                                        | –                               | (32)            |
| <i>Total transactions with owners, recognised directly in equity</i>  | 5,475                      | (67)                                        | –                               | 5,408           |
| <b>Balance as at 31 December 2022</b>                                 | <b>64,358</b>              | –                                           | <b>(66,077)</b>                 | <b>(1,719)</b>  |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

|                                                          | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|----------------------------------------------------------|------|----------------|----------------|
| <b>Cash flows from operating activities</b>              |      |                |                |
| Loss before tax                                          |      | (2,488)        | (9,850)        |
| Adjustments for:                                         |      |                |                |
| Amortisation of intangible assets                        | 12   | –              | 422            |
| Depreciation of plant and equipment                      | 11   | 55             | 443            |
| Depreciation of right-of-use assets                      | 22   | 186            | 318            |
| Loss on disposal of plant and equipment                  | 11   | –              | 7              |
| (Writeback)/allowance for inventories                    | 18   | (25)           | 1,298          |
| Allowance for expected credit loss                       |      | 80             | 81             |
| Impairment of intangible assets                          |      | –              | 3,133          |
| Impairment of goodwill                                   |      | –              | 626            |
| Impairment of plant and equipment                        |      | –              | 255            |
| Impairment of right-of-use assets                        |      | –              | 28             |
| Inventories written off                                  | 18   | 180            | 40             |
| Interest expense on lease liabilities                    | 7    | 8              | 16             |
| Interest expense on borrowings                           | 7    | 63             | 92             |
| Accretion of interest on deferred consideration          | 7    | 42             | 60             |
| Interest income from fixed deposits                      | 5    | (47)           | –              |
| Provision for reinstatement costs                        |      | –              | (5)            |
| Reversal of share-based payment reserve                  |      | –              | (67)           |
| Gain/(loss) from remeasurement of deferred consideration |      | 14             | (30)           |
| Operating cash flows before changes in working capital   |      | <b>(1,932)</b> | (3,133)        |
| Changes in working capital:                              |      |                |                |
| Decrease/(increase) in trade receivables                 |      | 362            | (469)          |
| Decrease in prepayments                                  |      | 99             | 112            |
| Decrease in other receivables                            |      | 87             | 54             |
| (Increase)/decrease in inventories (Note A)              |      | (139)          | 115            |
| (Decrease)/increase in trade payables                    |      | (74)           | 8              |
| (Decrease)/increase in other payables                    |      | (235)          | 286            |
| (Decrease)/increase in contract liabilities              |      | (110)          | 71             |
| Cash flows used in operations                            |      | <b>(1,942)</b> | (2,956)        |
| Interest received                                        |      | 47             | –              |
| Interest paid                                            |      | (71)           | (108)          |
| <b>Net cash used in operating activities</b>             |      | <b>(1,966)</b> | (3,064)        |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

|                                                               | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|---------------------------------------------------------------|------|----------------|----------------|
| <b>Cash flows from investing activities</b>                   |      |                |                |
| Additions to plant and equipment (Note A)                     | 11   | –              | (33)           |
| Additions to intangible assets                                | 12   | –              | (60)           |
| Payment of deferred consideration                             | 24   | <b>(2,689)</b> | –              |
| Receipt of government grant for plant and equipment           | 11   | –              | 98             |
| <b>Net cash (used in)/generated from investing activities</b> |      | <b>(2,689)</b> | 5              |
| <b>Cash flows from financing activities</b>                   |      |                |                |
| Proceeds from share issuance                                  |      | <b>1,173</b>   | 5,698          |
| Share issuance expenses                                       | 26   | <b>(58)</b>    | (223)          |
| Repayment of borrowings                                       | 23   | <b>(1,050)</b> | (1,021)        |
| Payment of principal portion of lease liabilities             | 22   | <b>(265)</b>   | (272)          |
| <b>Net cash (used in)/generated from financing activities</b> |      | <b>(200)</b>   | 4,182          |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   |      | <b>(4,855)</b> | 1,123          |
| Effect of exchange rate changes on cash and cash equivalents  |      | <b>9</b>       | (54)           |
| Cash and cash equivalents at 1 January                        |      | <b>5,029</b>   | 3,960          |
| <b>Cash and cash equivalents at 31 December</b>               |      | <b>183</b>     | 5,029          |

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.

|                                                | 2023<br>\$'000 | 2022<br>\$'000 |
|------------------------------------------------|----------------|----------------|
| Transfer of inventories to plant and equipment | –              | 28             |

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 2023

## 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 18 Howard Road, #11-09, Novelty Bizcentre, Singapore 369585.

The principal activities of the Company during the financial year 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 2023 were authorised for issue by the Board of Directors on 1 April 2024.

## 2. MATERIAL ACCOUNTING POLICIES

### a) 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 (“\$”), except when otherwise indicated.

#### Material Uncertainty Related to Going Concern

The Group had recorded a net loss of approximately \$2.49 million (2022: \$9.37 million) and a net operating cash outflow of approximately \$1.97 million (2022: \$3.06 million) for the financial year ended 31 December 2023. As at 31 December 2023, the Group’s current liabilities exceeded its current assets by approximately \$1.49 million (2022: \$0.09 million) and the Group was in a net deficit equity position of approximately \$1.99 million (2022: \$1.69 million). As at 31 December 2023, the Company was in a net deficit equity position and net current liabilities position of approximately \$2.06 million and \$1.50 million respectively (2022: net deficit equity of \$1.72 million and net current assets position of \$3,000). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### a) Basis of preparation (Continued)

#### Material Uncertainty Related to Going Concern (Continued)

In addition, the Company had on 28 February 2023, entered into a partial settlement deed (“**Partial Settlement Deed**”) with Clearbridge BSA Pte Ltd (“**CBSA**”) to partially settle approximately \$1.16 million (“**Partial Settlement Sum**”) of the deferred consideration (“**Deferred Consideration**”) (Note 24) owing by the Company to CBSA in connection with the purchase of the entire issued and paid-up share capital of Biomedics Laboratory Pte. Ltd., of which \$0.55 million of the Partial Settlement Sum (“**Cash Settlement Sum**”) was settled by way of cash and approximately \$0.61 million of the Partial Settlement Sum satisfied by way of issuance of 37,500,000 new ordinary shares in the issued share capital of the Company (“**Consideration Shares**”) at an issue price of \$0.0163 for each Consideration Share to CBSA. The payment of the Cash Settlement Sum and the issuance of the Consideration Shares to CBSA were completed on 20 March 2023.

On 21 November 2023, the Company entered into a subscription agreement with Mr. Zhu Hua, on the share subscription of 98,500,000 new ordinary shares in the issued share capital of the Company at an issue price of \$0.0119 per subscription share, to raise gross proceeds of approximately \$1.17 million. The shares were issued on 21 November 2023 and the Company utilised the net proceeds from the Share Subscription and its cash to fully repay the Deferred Consideration.

On 21 December 2023, the Company entered into a subscription agreement with Mr. Zhou Chao, on the share subscription of 83,000,000 new ordinary shares in the issued share capital of the Company at an issue price of \$0.0121 per subscription share, to raise gross proceeds of approximately \$1.04 million. The shares has been issued on 11 January 2024. The Company will utilise the net proceeds of approximately \$0.93 million from the share subscription for working capital purposes.

To provide additional and recurrent revenue streams for the Group, with the approval of shareholders in the Extraordinary General Meeting (“EGM”) held on 23 February 2024, the Group will be diversifying its business into Multi-Channel Networking (“MCN”), E-Sports and Live-streaming. This will allow the Group to reduce its reliance on the Group’s existing business in cancer, infectious disease and laboratory services.

The financial statements of the Group and Company for the financial year ended 31 December 2023 have been prepared using the going concern assumption. 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 for a 16-month period from 1 January 2024 to 30 April 2025 (“**Cash Flow Forecast**”). In preparing the Cash Flow Forecast, management has taken the following into consideration:

- the challenges faced by the cancer business during the COVID-19 pandemic and the impact of the emergence of competing and newer technologies on the sales of COVID-19 related products in the infectious diseases business;
- the forecasted cash flow from the laboratory services business;
- the cost cutting measures that the Group has put in place to manage costs; and
- the financial support undertaken by Mr. Zhu Hua.

After taking into consideration the Cash Flow Forecast, the Board is of the opinion that the Group and the Company will be able to operate as a going concern and that the use of the going concern assumption in the preparation of the consolidated financial statements of the Group and Company for the financial year ended 31 December 2023 is appropriate.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### a) Basis of preparation (Continued)

#### Material Uncertainty Related to Going Concern (Continued)

In the event that Mr. Zhu Hua does not provide, or is unable to provide, sufficient financial support to the Group for its working capital requirements, the Group will look for alternative sources of funding such as equity or debt fundraising through a placement of securities of the Company to investors or other fundraising opportunities to raise the requisite funding for the Group's working capital requirements. Should the Group fail to raise such alternative funding, the Company and the Group may not be able to operate as a going concern and trading of the Shares may be suspended pursuant to Rule 1303(3) of the Catalist Rules.

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.

#### *New and revised standards that are adopted*

In the current financial year, the Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for the current financial year.

The adoption of these new/revised SFRS(I) and INT SFRS(I) did not have any material effect on the financial results or position of the Group and the Company except as disclosed below:

#### **Amendments to SFRS(I) 1-1 and SFRS (I) Practice Statement 2: Disclosure of Accounting Policies**

The amendments to SFRS(I)-1 and SFRS(I) Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group has adopted the amendments to SFRS(I)-1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Group's and the Company's financial statements.

#### *New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### b) 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.

### c) Financial instruments

#### *Financial assets*

##### Initial recognition and measurement

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

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

##### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired.

#### *Financial liabilities*

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.

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.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### d) 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.

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, where applicable.

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.

### e) 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.

### f) Leases

#### *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 year or less

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### f) Leases (Continued)

#### *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.

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.

#### *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.

### g) 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.

#### *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.

#### *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. Provisions related to these warranties are recognised based on historical experience and the estimates of warranty-related costs are reviewed annually.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### g) Revenue recognition (Continued)

#### *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.

#### *Sale of extended warranty services*

Included in the transaction price for the sale of devices policy 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.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES

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.

### **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.

#### Expected credit losses

##### *Allowance 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3. SIGNIFICANT ACCOUNTING ESTIMATES (CONTINUED)

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

#### Expected credit losses (Continued)

##### *Allowance for expected credit losses of trade receivables (Continued)*

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

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

The carrying amount of trade receivables, net and allowance for expected credit losses as at 31 December 2023 are \$73,000 (2022: \$515,000) and \$161,000 (2022: \$81,000) respectively.

##### *Calculation of loss allowance for amount due from subsidiaries*

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

The gross carrying amounts (before allowance for expected credit losses) of the Company's trade and other receivables due from subsidiaries as at 31 December 2023 are \$209,000 and \$3,147,000 (2022: \$209,000 and \$2,549,000), respectively, as disclosed in Note 16 and Note 17.

#### Write-down of inventories

Management reviews the inventory listing on a periodic basis. This review involves comparison of the carrying amount of the aged inventory items with the respective net realisable value. The purpose is to estimate the net realisable value, based on the estimated selling price in the ordinary course of business and to determine any write-down or reversal of write-down is to be made in the financial statements for expired and/or slow-moving items. Management is satisfied that the inventories have been written down adequately in the financial statements.

At 31 December 2023, the carrying amount of inventories of the Group after the write-down or the reversal of write-down are disclosed in Note 18.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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*

|                                                | <b>Group</b>  |               |
|------------------------------------------------|---------------|---------------|
|                                                | <b>2023</b>   | <b>2022</b>   |
|                                                | <b>\$'000</b> | <b>\$'000</b> |
| Rendering of laboratory services               | <b>1,037</b>  | 1,937         |
| Sale of COVID-19 products                      | –             | 344           |
| Sale of devices and consumables                | <b>266</b>    | 183           |
| Sale of extended warranty services             | <b>12</b>     | 25            |
|                                                | <b>1,315</b>  | 2,489         |
| <b>Timing of transfer of goods or services</b> |               |               |
| At point in time                               | <b>1,303</b>  | 2,464         |
| Over time                                      | <b>12</b>     | 25            |
|                                                | <b>1,315</b>  | 2,489         |

(b) *Contract liabilities*

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

|                      | <b>Group</b>  |               |                 |
|----------------------|---------------|---------------|-----------------|
|                      | <b>2023</b>   | <b>2022</b>   | <b>1.1.2022</b> |
|                      | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b>   |
| Contract liabilities | <b>90</b>     | 200           | 129             |

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

The Group expects to recognise \$90,000 (2022: \$200,000) as revenue relating to the transaction price allocated to the unsatisfied performance obligations as at year-end in the financial year 2024 (2022: 2023).

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 2023

## 5. OTHER INCOME

|                                                          | Group          |                |
|----------------------------------------------------------|----------------|----------------|
|                                                          | 2023<br>\$'000 | 2022<br>\$'000 |
| Government grants                                        | 46             | 172            |
| Interest income from fixed deposits                      | 47             | –              |
| Other interest income                                    | 35             | –              |
| Foreign exchange gain, net                               | –              | 91             |
| (Loss)/gain from remeasurement of deferred consideration | (14)           | 30             |
| Reversal of accrual for unconsumed leave                 | 1              | 9              |
| Others                                                   | 25             | 3              |
|                                                          | <b>140</b>     | <b>305</b>     |

Included in government grant income is an amount of \$8,000 (2022: \$125,000) recognised during the financial year under the Jobs Growth Incentive (“JGI”). The JGI are temporary schemes introduced by the Singapore government to help enterprises retain local employees. Under the JGI, employers received cash grants in relation to the gross monthly wages of eligible employees.

## 6. EMPLOYEE BENEFITS EXPENSE

|                                                       | Group          |                |
|-------------------------------------------------------|----------------|----------------|
|                                                       | 2023<br>\$'000 | 2022<br>\$'000 |
| Directors' fee                                        | 160            | 227            |
| Directors' remuneration                               | 234            | 234            |
| Salaries and bonuses                                  | 1,161          | 1,689          |
| Employer's contribution to defined contribution plans | 164            | 244            |
| (Reversal)/allowance for performance awards           | (68)           | 520            |
| Share-based reversal – equity settled – Employees     | –              | (35)           |
|                                                       | <b>1,651</b>   | <b>2,879</b>   |

### Performance Share Plan

The Performance Share Plan (the “PSP”) was approved by the shareholders of the Company on 20 November 2018.

Summarised information regarding the share-based payment activity and amounts for the director and employees of the Company for the year ended 31 December 2023 is as follows:

|              | 2023                                                                 |                                                                  |                                                                 |                                                                               |                                                             | Fair value<br>per share on<br>grant date<br>\$ |
|--------------|----------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------|
|              | As at<br>beginning of<br>financial year<br>Number of<br>share awards | Granted<br>during<br>financial year<br>Number of<br>share awards | Vested<br>during<br>financial year<br>Number of<br>share awards | Forfeited/<br>lapsed<br>during<br>financial year<br>Number of<br>share awards | As at end of<br>financial year<br>Number of<br>share awards |                                                |
| PSP (FY2023) | –                                                                    | 70,418,300                                                       | 28,258,700                                                      | 21,079,800                                                                    | 21,079,800                                                  | 0.016                                          |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 6. EMPLOYEE BENEFITS EXPENSE (CONTINUED)

### Performance Share Plan (Continued)

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

|              | As at<br>beginning of<br>financial year | Granted during<br>financial year | Vested during<br>financial year | 2022                                          |                                | Fair value per<br>share on grant<br>date |
|--------------|-----------------------------------------|----------------------------------|---------------------------------|-----------------------------------------------|--------------------------------|------------------------------------------|
|              |                                         |                                  |                                 | Forfeited/<br>lapsed during<br>financial year | As at end of<br>financial year |                                          |
|              | Number of<br>share awards               | Number of<br>share awards        | Number of<br>share awards       | Number of<br>share awards                     | Number of<br>share awards      | \$                                       |
| PSP (FY2022) | 1,135,000                               | –                                | –                               | 1,135,000                                     | –                              | –                                        |

#### (a) PSP (FY2020)

On 18 August 2020, the Company granted share awards (the “Awards”), comprising up to 7,703,500 ordinary shares, to a director and certain employees pursuant to the Biolidics Performance Share Plan. The shares were granted at the fair value of \$0.39 per share, which was based on the market price of the shares on the date of grant.

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

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

The details of the Performance Share Plan are described below:

|                             |       |                                      |
|-----------------------------|-------|--------------------------------------|
| Number of shares<br>granted | (i)   | Up to 1,727,500 Shares (“Tranche 1”) |
|                             | (ii)  | Up to 1,727,500 Shares (“Tranche 2”) |
|                             | (iii) | Up to 1,727,500 Shares (“Tranche 3”) |

Performance conditions Group Financial and operating achievements

Vesting condition Vesting of each tranche based on meeting specified performance conditions over each of the following performance period:

- (i) Tranche 1: Financial year ended 31 December 2020
- (ii) Tranche 2: Financial year ended 31 December 2021
- (iii) Tranche 3: Financial year ended 31 December 2022

Payout 0% – 150% depending on the achievement of specified performance targets over the respective performance period and requisite service period:

- (i) Tranche 1: Within 4 months from 1 January 2021
- (ii) Tranche 2: Within 4 months from 1 January 2022
- (iii) Tranche 3: Within 4 months from 1 January 2023

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 6. EMPLOYEE BENEFITS EXPENSE (CONTINUED)

### (b) PSP (FY2023)

On 28 February 2023, the Company granted share awards (the "Awards"), comprising up to 70,418,300 ordinary shares, to a director and certain employees pursuant to the Biolidics Performance Share Plan. The Awards comprise of two components: (a) Award based on their past contributions to the Company (the "Past Contribution Award"), and (b) a contingent Performance-related Award, for their ongoing role in supporting the success of the Company.

For past contributions, the Company on 28 February 2023 allotted and issued an aggregate of 28,258,700 new ordinary shares to a director and certain employees of the Company. The shares were granted at the fair value of \$0.016 per share, which was based on the market price of the shares on the grant date, amounting to \$452,140.

The details of contingent portion of the PSP (FY2023) are described below:

|                          |      |                                       |
|--------------------------|------|---------------------------------------|
| Number of shares granted | (i)  | Up to 21,079,800 Shares ("Tranche 1") |
|                          | (ii) | Up to 21,079,800 Shares ("Tranche 2") |

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 2023
- (ii) Tranche 2: Financial year ended 31 December 2024

Payout 0% – 150% depending on the achievement of specified performance targets over the respective performance period and requisite service period:

- (i) Tranche 1: Within 2 months from 1 January 2024
- (ii) Tranche 2: Within 2 months from 1 January 2025

As at 31 December 2023, the Group assessed that the performance conditions for Tranche 1 have not been met. These Awards are considered lapsed and accordingly, no share-based payment reserve has been recorded as at year end with respect to the contingent performance-related awards.

## 7. FINANCE COSTS

|                                                 | Group          |                |
|-------------------------------------------------|----------------|----------------|
|                                                 | 2023<br>\$'000 | 2022<br>\$'000 |
| Interest expense on borrowings                  | 63             | 92             |
| Interest expense on lease liabilities           | 8              | 16             |
| Accretion of interest on deferred consideration | 42             | 60             |
|                                                 | <b>113</b>     | 168            |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 8. LOSS BEFORE TAX

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

|                                         | Group  |        |
|-----------------------------------------|--------|--------|
|                                         | 2023   | 2022   |
|                                         | \$'000 | \$'000 |
| Audit fees                              |        |        |
| – paid to auditors of the Company       |        |        |
| – current year                          | 120    | 120    |
| – under provision for previous year     | 14     | –      |
| – paid to other auditors                | –      | 2      |
| Non-audit fees                          |        |        |
| – paid to auditors of the Company       | –      | –      |
| – paid to other auditors                | –      | –      |
| Amortisation of intangible assets       | –      | 422    |
| Depreciation of plant and equipment     | 55     | 443    |
| Depreciation of right-of-use assets     | 186    | 318    |
| Impairment of intangibles               | –      | 3,133  |
| Impairment of goodwill                  | –      | 626    |
| Impairment of plant and equipment       | –      | 255    |
| Impairment of right-of-use assets       | –      | 28     |
| Loss on disposal of plant and equipment | –      | 7      |
| Inventories written off                 | 180    | 40     |
| (Writeback)/allowance for inventories   | (25)   | 1,298  |
| Allowance for expected credit losses    | 80     | 81     |
| Rental expenses                         | 4      | 15     |
| Travelling expenses                     | 19     | 40     |
| Professional fees (cash-settled)        | 463    | 602    |
| Professional fees (equity-settled)      | –      | (32)   |
| Sales and marketing expenses            | 50     | 51     |
| Foreign exchange loss/(gain), net       | 10     | (91)   |
| Repairs and maintenance                 | 25     | 62     |

### Research and development expense

Research and development expense amounting to \$31,000 (2022: \$227,000) 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 2023 and 2022 are:

|                                                               | Group  |        |
|---------------------------------------------------------------|--------|--------|
|                                                               | 2023   | 2022   |
|                                                               | \$'000 | \$'000 |
| Deferred income tax                                           |        |        |
| – Origination and reversal of temporary differences (Note 25) | –      | (476)  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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 2023 and 2022 is as follows:

|                                                                                           | Group          |                |
|-------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                           | 2023<br>\$'000 | 2022<br>\$'000 |
| Loss before tax                                                                           | <b>(2,488)</b> | (9,850)        |
| Tax at the domestic rates applicable to profits in the countries where the Group operates | <b>(427)</b>   | (1,595)        |
| Non-deductible expenses                                                                   | <b>39</b>      | 437            |
| Income not subject to taxation                                                            | <b>(7)</b>     | (71)           |
| Deferred tax assets not recognised                                                        | <b>395</b>     | 753            |
| Income tax credit recognised in profit or loss                                            | <b>-</b>       | (476)          |

At financial year end, the Company has potential tax benefits arising from unutilised losses and accelerated accounting depreciation that are available for carry-forward to offset against future taxable income, subject to the agreement of tax authority and compliance with the relevant provisions of the Income Tax Act.

The potential deferred tax assets on the following temporary differences have not been recognised in the financial statements at the end of the financial year:

|                                     | Group          |                | Company        |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| Unutilised losses                   | <b>54,624</b>  | 52,266         | <b>51,771</b>  | 50,319         |
| Unabsorbed capital allowances       | <b>752</b>     | 831            | <b>725</b>     | 770            |
| Accelerated accounting depreciation | <b>5,731</b>   | 5,702          | <b>5,240</b>   | 5,242          |
| Provisions                          | <b>448</b>     | 432            | <b>343</b>     | 400            |
|                                     | <b>61,555</b>  | 59,231         | <b>58,079</b>  | 56,731         |

The potential deferred tax assets have not been recognised in the financial statements as it is not probable that the future taxable income will be available and sufficient to allow these temporary differences to be realised in the foreseeable future. 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.

## 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. LOSS PER SHARE (CONTINUED)

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          |                |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                   | 2023<br>\$'000 | 2022<br>\$'000 |
| Loss for the year, net of tax, attributable to owners of the Company used in the computations of basic and diluted loss per share | <b>(2,488)</b> | (9,374)        |
| Weighted average number of shares for basic loss per share computation <sup>(1)</sup>                                             | <b>593,128</b> | 281,687        |
| Weighted average number of shares for diluted loss per share computation                                                          | <b>593,128</b> | 281,687        |
| Basic loss per share (cents)                                                                                                      | <b>(0.42)</b>  | (3.33)         |
| Diluted loss per share (cents)                                                                                                    | <b>(0.42)</b>  | (3.33)         |

(1) Share awards granted to employees have not been included in the calculation of diluted loss per share because they are anti-dilutive.

## 11. PLANT AND EQUIPMENT

|                                                                | Computer<br>and office<br>equipment<br>\$'000 | Laboratory<br>equipment<br>\$'000 | Testing<br>and trial<br>equipment<br>\$'000 | Production<br>tooling<br>and mould<br>equipment<br>\$'000 | Renovation<br>and<br>furniture<br>and fittings<br>\$'000 | Total<br>\$'000 |
|----------------------------------------------------------------|-----------------------------------------------|-----------------------------------|---------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------|-----------------|
| <b>Group</b>                                                   |                                               |                                   |                                             |                                                           |                                                          |                 |
| <b>Cost:</b>                                                   |                                               |                                   |                                             |                                                           |                                                          |                 |
| At 1 January 2022                                              | 310                                           | 854                               | 1,043                                       | 843                                                       | 586                                                      | 3,636           |
| Additions                                                      | 18                                            | 13                                | –                                           | –                                                         | 2                                                        | 33              |
| Transfer from inventories                                      | –                                             | –                                 | 28                                          | –                                                         | –                                                        | 28              |
| Disposals                                                      | –                                             | –                                 | (45)                                        | –                                                         | –                                                        | (45)            |
| Government grants                                              | –                                             | (98)                              | –                                           | –                                                         | –                                                        | (98)            |
| At 31 December 2022,<br>1 January 2023 and<br>31 December 2023 | 328                                           | 769                               | 1,026                                       | 843                                                       | 588                                                      | 3,554           |
| <b>Accumulated<br/>depreciation and<br/>impairment:</b>        |                                               |                                   |                                             |                                                           |                                                          |                 |
| At 1 January 2022                                              | 158                                           | 608                               | 928                                         | 789                                                       | 350                                                      | 2,833           |
| Charge for the year                                            |                                               |                                   |                                             |                                                           |                                                          |                 |
| – Depreciation                                                 | 80                                            | 117                               | 67                                          | 49                                                        | 130                                                      | 443             |
| – Impairment                                                   | 70                                            | 35                                | 69                                          | 5                                                         | 76                                                       | 255             |
| – Disposals                                                    | –                                             | –                                 | (38)                                        | –                                                         | –                                                        | (38)            |
| At 31 December 2022 and<br>1 January 2023                      | 308                                           | 760                               | 1,026                                       | 843                                                       | 556                                                      | 3,493           |
| Charge for the year                                            |                                               |                                   |                                             |                                                           |                                                          |                 |
| – Depreciation                                                 | 14                                            | 9                                 | –                                           | –                                                         | 32                                                       | 55              |
| <b>At 31 December 2023</b>                                     | <b>322</b>                                    | <b>769</b>                        | <b>1,026</b>                                | <b>843</b>                                                | <b>588</b>                                               | <b>3,548</b>    |
| <b>Carrying amount:</b>                                        |                                               |                                   |                                             |                                                           |                                                          |                 |
| At 31 December 2022                                            | 20                                            | 9                                 | –                                           | –                                                         | 32                                                       | 61              |
| <b>At 31 December 2023</b>                                     | <b>6</b>                                      | <b>–</b>                          | <b>–</b>                                    | <b>–</b>                                                  | <b>–</b>                                                 | <b>6</b>        |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 11. PLANT AND EQUIPMENT (CONTINUED)

|                                                                | Computer<br>and office<br>equipment<br>\$'000 | Laboratory<br>equipment<br>\$'000 | Testing<br>and trial<br>equipment<br>\$'000 | Production<br>tooling and<br>mould<br>equipment<br>\$'000 | Renovation<br>and<br>furniture<br>and fittings<br>\$'000 | Total<br>\$'000 |
|----------------------------------------------------------------|-----------------------------------------------|-----------------------------------|---------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------|-----------------|
| <b>Company</b>                                                 |                                               |                                   |                                             |                                                           |                                                          |                 |
| <b>Cost:</b>                                                   |                                               |                                   |                                             |                                                           |                                                          |                 |
| At 1 January 2022                                              | 259                                           | 704                               | 1,043                                       | 843                                                       | 272                                                      | 3,121           |
| Additions                                                      | 11                                            | –                                 | –                                           | –                                                         | –                                                        | 11              |
| Transfer from inventories                                      | –                                             | –                                 | 28                                          | –                                                         | –                                                        | 28              |
| Disposals                                                      | –                                             | –                                 | (45)                                        | –                                                         | –                                                        | (45)            |
| At 31 December 2022,<br>1 January 2023 and<br>31 December 2023 | 270                                           | 704                               | 1,026                                       | 843                                                       | 272                                                      | 3,115           |
| <b>Accumulated<br/>depreciation and<br/>impairment:</b>        |                                               |                                   |                                             |                                                           |                                                          |                 |
| At 1 January 2022                                              | 147                                           | 596                               | 928                                         | 789                                                       | 234                                                      | 2,694           |
| Charge for the year                                            |                                               |                                   |                                             |                                                           |                                                          |                 |
| – Depreciation                                                 | 64                                            | 98                                | 67                                          | 49                                                        | 35                                                       | 313             |
| – Impairment                                                   | 58                                            | 10                                | 69                                          | 5                                                         | 3                                                        | 145             |
| – Disposals                                                    | –                                             | –                                 | (38)                                        | –                                                         | –                                                        | (38)            |
| At 31 December 2022 and<br>1 January 2023                      | 269                                           | 704                               | 1,026                                       | 843                                                       | 272                                                      | 3,114           |
| Charge for the year                                            |                                               |                                   |                                             |                                                           |                                                          |                 |
| – Depreciation                                                 | 1                                             | –                                 | –                                           | –                                                         | –                                                        | 1               |
| <b>At 31 December 2023</b>                                     | <b>270</b>                                    | <b>704</b>                        | <b>1,026</b>                                | <b>843</b>                                                | <b>272</b>                                               | <b>3,115</b>    |
| <b>Carrying amount:</b>                                        |                                               |                                   |                                             |                                                           |                                                          |                 |
| At 31 December 2022                                            | 1                                             | –                                 | –                                           | –                                                         | –                                                        | 1               |
| <b>At 31 December 2023</b>                                     | <b>–</b>                                      | <b>–</b>                          | <b>–</b>                                    | <b>–</b>                                                  | <b>–</b>                                                 | <b>–</b>        |

Impairment assessment of plant and equipment, right-of use assets (Note 22) and intangible assets (Note 12)

Based on an impairment assessment carried out by the Group in the previous financial year due to recurring losses and negative operating cash flows faced by the Group, an impairment loss of \$255,000 has been recorded for plant and equipment in the financial year ended 31 December 2022. This is made up of impairment loss of \$145,000 and \$110,000 relating to the Group's Cancer CGU and Laboratory Services CGU, respectively.

The Group had determined the recoverable amount of the assets of the Cancer and Laboratory Services CGUs comprising plant and equipment, rights-of-use assets and intangible assets, based on their fair value less cost of disposal at 31 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 11. PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment of plant and equipment, right-of use assets (Note 22) and intangible assets (Note 12)  
(Continued)

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

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

## 12. INTANGIBLE ASSETS

|                                                             | Accreditation<br>\$'000 | Patent rights<br>\$'000 | Trademark<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------------|-------------------------|-------------------------|---------------------|-----------------|
| <b>Group</b>                                                |                         |                         |                     |                 |
| <b>Cost:</b>                                                |                         |                         |                     |                 |
| At 1 January 2022                                           | 3,329                   | 858                     | 87                  | 4,274           |
| Additions                                                   | –                       | 55                      | 5                   | 60              |
| At 31 December 2022, 1 January 2023<br>and 31 December 2023 | 3,329                   | 913                     | 92                  | 4,334           |
| <b>Accumulated amortisation:</b>                            |                         |                         |                     |                 |
| At 1 January 2022                                           | 527                     | 207                     | 45                  | 779             |
| Charge for the year                                         |                         |                         |                     |                 |
| – Amortisation                                              | 333                     | 80                      | 9                   | 422             |
| – Impairment                                                | 2,469                   | 626                     | 38                  | 3,133           |
| At 31 December 2022, 1 January 2023<br>and 31 December 2023 | 3,329                   | 913                     | 92                  | 4,334           |
| <b>Carrying amount:</b>                                     |                         |                         |                     |                 |
| At 31 December 2022 and 31 December 2023                    | –                       | –                       | –                   | –               |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. INTANGIBLE ASSETS (CONTINUED)

|                                                             | Patent rights<br>\$'000 | Trademark<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------------|-------------------------|---------------------|-----------------|
| <b>Company</b>                                              |                         |                     |                 |
| <b>Cost:</b>                                                |                         |                     |                 |
| At 1 January 2022                                           | 858                     | 87                  | 945             |
| Additions                                                   | 55                      | 5                   | 60              |
| At 31 December 2022, 1 January 2023 and<br>31 December 2023 | 913                     | 92                  | 1,005           |
| <b>Accumulated amortisation:</b>                            |                         |                     |                 |
| At 1 January 2022                                           | 207                     | 45                  | 252             |
| Charge for the year                                         |                         |                     |                 |
| – Amortisation                                              | 80                      | 9                   | 89              |
| – Impairment                                                | 626                     | 38                  | 664             |
| At 31 December 2022, 1 January 2023 and<br>31 December 2023 | 913                     | 92                  | 1,005           |
| <b>Carrying amount:</b>                                     |                         |                     |                 |
| At 31 December 2022 and 31 December 2023                    | –                       | –                   | –               |

### Accreditation, patent and trademark

Accreditation relates to College of American Pathologists accredited clinical laboratory.

Patent rights and trademark relate to ClearCell® FX1 System and CTChip® FR1 biochip.

### Impairment assessment of intangible assets

In the previous financial year ended 31 December 2022 due to recurring losses and negative operating cash flows faced by the Group, the Group carried out impairment assessment for intangible assets by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 11 to the financial statements. Based on the impairment assessment, the Group had recorded \$3,133,000 of impairment loss in the financial year ended 31 December 2022. This is made up of impairment loss of \$664,000 and \$2,469,000 relating to the Group's Cancer CGU and Laboratory Services CGU, respectively.

## 13. GOODWILL

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

|                         | 2023<br>\$'000 | 2022<br>\$'000 |
|-------------------------|----------------|----------------|
| <b>Carrying amount:</b> |                |                |
| At 1 January            | –              | 626            |
| Impairment of goodwill  | –              | (626)          |
| At 31 December          | –              | –              |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 13. GOODWILL (CONTINUED)

### Impairment assessment of goodwill

Goodwill acquired through business combination was allocated to the Laboratory Services CGU. In the previous financial year ended 31 December 2022, the Group carried out impairment assessment on goodwill by estimating the recoverable amount of the Laboratory Services CGUs of the Group as disclosed in Note 11 to the financial statements. Based on the impairment assessment, the Group had recorded \$626,000 of impairment loss in the financial year ended 31 December 2022.

## 14. INVESTMENTS IN SUBSIDIARIES

|                                         | Company        |                |
|-----------------------------------------|----------------|----------------|
|                                         | 2023<br>\$'000 | 2022<br>\$'000 |
| <b>Unquoted equity shares, at cost</b>  |                |                |
| At 1 January                            | 3,931          | 5,182          |
| Additions                               | 41             | 107            |
| Capital reduction                       | -              | (1,358)        |
|                                         | <b>3,972</b>   | 3,931          |
| Less: allowance for impairment in value | <b>(3,972)</b> | (3,931)        |
| At 31 December                          | -              | -              |

During the financial year, the Company injected additional capital of \$41,000 (2022: \$107,000) into Biolidics (Shanghai) Co., Ltd.

In the previous financial year, Biolidics Pty Ltd completed a capital reduction exercise reducing its capital by approximately \$1,358,000.

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

| Name of subsidiary                                                | Principal place of business | Principal activities             | Proportion of ownership interest |           |
|-------------------------------------------------------------------|-----------------------------|----------------------------------|----------------------------------|-----------|
|                                                                   |                             |                                  | 2023<br>%                        | 2022<br>% |
| Biomedics Laboratory Pte.Ltd. <sup>(1)</sup>                      | Singapore                   | Provision of laboratory services | 100                              | 100       |
| Biolidics (Shanghai) Co., Ltd.<br>(明测生物医药(上海)有限公司) <sup>(2)</sup> | People's Republic of China  | Dormant                          | 100                              | 100       |
| Biolidics Pty Ltd <sup>(2)</sup>                                  | Australia                   | Dormant                          | 100                              | 100       |
| Clearcell Pte. Ltd. <sup>(3)</sup>                                | Singapore                   | Dormant                          | -                                | 100       |

(1) Audited by Baker Tilly TFW LLP, Singapore

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

(3) Struck off on 4 December 2023

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Impairment assessment of investments in subsidiaries

During the financial year, the Company performed an impairment test for the investment in Biolidics (Shanghai) Co., Ltd. as the cost of investment in this subsidiary exceeded the Company's share of net assets in this subsidiary as at 31 December 2023. Impairment loss of \$41,000 was recognised to write down this subsidiary to its recoverable amount of \$Nil.

In the previous financial year ended 31 December 2022, the Company carried out a review and determined that there were indicators of impairment of the Company's investments in subsidiaries due to recurring losses in the subsidiaries. The recoverable amount of the investments as at 31 December 2022 had been estimated based on fair value less cost of disposal of the relevant CGU's assets with adjustments to arrive at equity value of the investments. As a result, the Company recognised an impairment loss of \$3,717,000 to fully impair the Company's costs of investments in the financial year ended 31 December 2022. The impairment amount includes \$3,569,000 of impairment for cost of investment in Biomedics Laboratory Pte. Ltd. and another \$148,000 of impairment for cost of investment in loss-making subsidiaries.

## 15. CASH AND CASH EQUIVALENTS

|               | Group          |                | Company        |                |
|---------------|----------------|----------------|----------------|----------------|
|               | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| Cash at banks | 183            | 5,029          | 127            | 4,960          |

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

|                      | Group          |                | Company        |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| United States Dollar | 50             | 2              | 50             | 2              |
| Euro                 | 1              | 24             | 1              | 24             |
| Pound Sterling       | 2              | 55             | 2              | 55             |
| Australian Dollar    | 22             | 22             | -              | -              |
| Chinese Yuan         | 7              | 6              | -              | -              |

## 16. TRADE RECEIVABLES

|                                      | Group          |                | Company        |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| Trade receivables:                   |                |                |                |                |
| – third parties                      | 234            | 596            | 59             | 97             |
| – subsidiary                         | -              | -              | 209            | 209            |
|                                      | 234            | 596            | 268            | 306            |
| Allowance for expected credit losses | (161)          | (81)           | (265)          | (258)          |
|                                      | 73             | 515            | 3              | 48             |



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. TRADE RECEIVABLES (CONTINUED)

### *Trade receivables – third parties*

Trade receivables due from third parties are non-interest bearing (except for late payment interest) and are generally on 30 days' (2022: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

### *Trade receivables – subsidiary*

Trade receivables due from a subsidiary are unsecured, non-interest bearing and repayable on demand. Full allowance of expected credit losses has been recorded for trade receivable from the subsidiary as the recovery is uncertain.

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

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to past default experience and ECL of the debtor, 4.6% (2022: ranging from 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.

The movement in credit loss allowance for trade receivables are as follows:

|                                    | <b>Group<br/>\$'000</b> | <b>Company<br/>\$'000</b> |
|------------------------------------|-------------------------|---------------------------|
| Balance at 1 January 2023          | 81                      | 258                       |
| Loss allowance measured:           |                         |                           |
| Lifetime ECL – simplified approach | 80                      | 7                         |
| Balance at 31 December 2023        | <b>161</b>              | <b>265</b>                |
| Balance at 1 January 2022          | –                       | 210                       |
| Loss allowance measured:           |                         |                           |
| Lifetime ECL – simplified approach | 81                      | 48                        |
| Balance at 31 December 2022        | 81                      | 258                       |

## 17. OTHER RECEIVABLES

|                                                     | <b>Group</b>           |                        | <b>Company</b>         |                        |
|-----------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                     | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Refundable deposits                                 | <b>52</b>              | 42                     | <b>34</b>              | 22                     |
| Goods and Services Tax receivable                   | <b>18</b>              | 36                     | <b>18</b>              | 36                     |
| Other receivables:                                  |                        |                        |                        |                        |
| – third parties                                     | <b>10</b>              | 89                     | <b>9</b>               | 89                     |
| – subsidiaries                                      | <b>–</b>               | –                      | <b>–</b>               | 420                    |
|                                                     | <b>80</b>              | 167                    | <b>61</b>              | 567                    |
| Add: Cash and cash equivalents                      | <b>183</b>             | 5,029                  | <b>127</b>             | 4,960                  |
| Add: Trade receivables                              | <b>73</b>              | 515                    | <b>3</b>               | 48                     |
| Less: Goods and Services Tax receivable             | <b>(18)</b>            | (36)                   | <b>(18)</b>            | (36)                   |
| Total financial assets carried at<br>amortised cost | <b>318</b>             | 5,675                  | <b>173</b>             | 5,539                  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 17. OTHER RECEIVABLES (CONTINUED)

### *Deposits*

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

### *Other receivables due from third parties*

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

### *Related party balances*

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

### Expected credit losses assessment

As at 31 December 2023, the Company recorded \$3,147,000 (2022: \$2,549,000) of gross other receivable from subsidiaries, that includes \$3,139,000 (2022: \$2,540,000) of gross other receivable from Biomedics Laboratory Pte. Ltd.. As at 31 December 2023, the Company recorded \$3,147,000 (2022: \$2,129,000) of allowance for expected credit losses on other receivable from subsidiaries. The allowance amount includes \$3,139,000 (2022: \$2,120,000) of allowance for receivable from Biomedics Laboratory Pte. Ltd..

## 18. INVENTORIES

|                                                                            | Group          |                | Company        |                |
|----------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                            | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| <b>Balance sheet:</b>                                                      |                |                |                |                |
| Finished goods                                                             | 11             | 27             | -              | -              |
| <b>Income statement:</b>                                                   |                |                |                |                |
| Inventories recognised as an expense in raw materials and consumables used | 594            | 1,326          | (131)          | 437            |
| Inclusive of the following charge:                                         |                |                |                |                |
| - Writeback of allowance for inventories                                   | (25)           | -              | (25)           | -              |
| Inventories recognised as an expense in other expenses                     |                |                |                |                |
| - Allowance for inventories                                                | -              | 1,298          | -              | 1,226          |
| - Inventories written off                                                  | 180            | 40             | -              | 14             |

The Group and the Company have recognised a writeback of allowance of \$25,000 (2022: \$Nil) for inventories in current year as the inventories were sold subsequently above their carrying amounts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 19. TRADE PAYABLES

|                 | Group          |                | Company        |                |
|-----------------|----------------|----------------|----------------|----------------|
|                 | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| Trade payables: |                |                |                |                |
| – third parties | 19             | 93             | 8              | 4              |

*Trade payables – third parties*

These amounts are non-interest bearing and are normally settled on 30 days' (2022: 30 days') terms 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        |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| United States Dollar | 2              | –              | 2              | –              |
| Chinese Yuan         | 4              | –              | –              | –              |

## 20. OTHER PAYABLES

|                                                          | Group          |                | Company        |                |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                          | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| Accruals                                                 | 305            | 789            | 243            | 759            |
| Advances from third parties                              | –              | 26             | –              | 26             |
| Amounts due to related parties <sup>(1)</sup>            | –              | 7              | –              | 7              |
| Provision for warranty services                          | –              | 8              | –              | 8              |
| Goods and Services Tax (receivable)/payable              | –              | 33             | –              | –              |
| Others                                                   | 219            | 348            | 194            | 325            |
|                                                          | <b>524</b>     | 1,211          | <b>437</b>     | 1,125          |
| Add: Trade payables                                      | 19             | 93             | 8              | 4              |
| Add: Lease liabilities                                   | 330            | 270            | 198            | 177            |
| Add: Borrowings                                          | 1,693          | 2,743          | 1,693          | 2,743          |
| Add: Deferred consideration                              | –              | 3,244          | –              | 3,244          |
| Less: Provision for warranty services                    | –              | (8)            | –              | (8)            |
| Less: Advances from third parties                        | –              | (26)           | –              | (26)           |
| Less: Goods and Services Tax payable                     | –              | (33)           | –              | –              |
| Total financial liabilities carried at<br>amortised cost | <b>2,566</b>   | 7,494          | <b>2,336</b>   | 7,259          |

(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 were 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 2023

## 21. CONTRACT LIABILITIES

|                                                                | <b>Group and Company</b> |               |
|----------------------------------------------------------------|--------------------------|---------------|
|                                                                | <b>2023</b>              | <b>2022</b>   |
|                                                                | <b>\$'000</b>            | <b>\$'000</b> |
| Sale of extended warranty services <sup>(1)</sup>              | <b>14</b>                | 12            |
| Amount received in advance of delivery of goods <sup>(2)</sup> | <b>76</b>                | 182           |
| Sale of preventive maintenance services <sup>(3)</sup>         | <b>-</b>                 | 6             |
|                                                                | <b>90</b>                | 200           |

- (1) Revenue from sale of extended warranty services is recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for revenue relating to the warranty services at the time of the initial sales transaction and is recognised as revenue over the period the warranty services are provided.
- (2) When the Group receives the transaction price from the customer in advance, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.
- (3) Revenue from sale of preventive maintenance services is recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for revenue relating to the services at the time of the initial sales transaction and is recognised as revenue over the period the services are provided.

|                        | <b>Group and Company</b> |               |
|------------------------|--------------------------|---------------|
|                        | <b>2023</b>              | <b>2022</b>   |
|                        | <b>\$'000</b>            | <b>\$'000</b> |
| Analysed as:           |                          |               |
| Current <sup>(1)</sup> | <b>90</b>                | 200           |

- (1) Included in the current portion is the full amount of \$76,000 (2022: \$182,000) for amount received in advance of delivery of goods. The delivery of goods is determined by the customer, and the Group has no control over the point in time that these contracts will be satisfied. Accordingly, management has classified the full amount as a current liability. The remaining amount of \$14,000 (2022: \$18,000) relates to warranty and preventive maintenance services for periods due within 1 year from the date of financial statements.

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

Significant changes in contract liabilities are explained as follows:

|                                                                                                      | <b>Group and Company</b> |               |
|------------------------------------------------------------------------------------------------------|--------------------------|---------------|
|                                                                                                      | <b>2023</b>              | <b>2022</b>   |
|                                                                                                      | <b>\$'000</b>            | <b>\$'000</b> |
| Revenue recognised that was included in the contract liability balance at the beginning of the year: |                          |               |
| - Sale of extended warranty services                                                                 | <b>12</b>                | -             |
| - Amount received in advance of delivery of goods                                                    | <b>106</b>               | 14            |
| - Sale of preventive maintenance services                                                            | <b>6</b>                 | -             |
|                                                                                                      | <b>124</b>               | 14            |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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 of 2 year or less, 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. The lease agreements for office space and warehouse have renewal options of 6 months to 2 years.

There were additions to right-of-use assets of \$325,000 (2022: \$63,000) during the financial year.

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

|                                        | Office,<br>warehouse<br>premises and<br>laboratory<br>space<br>\$'000 | Office and<br>laboratory<br>equipment<br>\$'000 | Total<br>\$'000 |
|----------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------|-----------------|
| <b>Group</b>                           |                                                                       |                                                 |                 |
| At 1 January 2022                      | 160                                                                   | 230                                             | 390             |
| Additions                              | 63                                                                    | –                                               | 63              |
| Depreciation expense                   | (133)                                                                 | (185)                                           | (318)           |
| Impairment                             | –                                                                     | (28)                                            | (28)            |
| At 31 December 2022 and 1 January 2023 | 90                                                                    | 17                                              | 107             |
| Additions                              | 325                                                                   | –                                               | 325             |
| Depreciation expense                   | (169)                                                                 | (17)                                            | (186)           |
| <b>At 31 December 2023</b>             | <b>246</b>                                                            | <b>–</b>                                        | <b>246</b>      |

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

|                              | Group          |                |
|------------------------------|----------------|----------------|
|                              | 2023<br>\$'000 | 2022<br>\$'000 |
| At 1 January                 | 270            | 485            |
| Additions                    | 325            | 57             |
| Accretion of interest        | 8              | 16             |
| Payments – principal portion | (265)          | (272)          |
| – interest                   | (8)            | (16)           |
| At 31 December               | <b>330</b>     | 270            |
| Analysed as:                 |                |                |
| Current                      | 202            | 210            |
| Non-current                  | 128            | 60             |
|                              | <b>330</b>     | 270            |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 22. LEASES (CONTINUED)

#### *Group as a lessee (Continued)*

A maturity analysis of lease liabilities is as follows:

| Group                                    | Interest rate<br>% | Maturity             | 2023<br>\$'000 | 2022<br>\$'000 |
|------------------------------------------|--------------------|----------------------|----------------|----------------|
| Current portion of lease liabilities     | 2.08 – 5.25        | 2024<br>(2022: 2023) | 202            | 210            |
| Non-current portion of lease liabilities | 2.08 – 5.25        | 2025<br>(2022: 2024) | 128            | 60             |
|                                          |                    |                      | <b>330</b>     | <b>270</b>     |

The following are the amounts recognised in profit or loss:

|                                                                    | Group          |                |
|--------------------------------------------------------------------|----------------|----------------|
|                                                                    | 2023<br>\$'000 | 2022<br>\$'000 |
| Depreciation of right-of-use assets                                | 186            | 318            |
| Interest expense on lease liabilities                              | 8              | 16             |
| Expense relating to short-term leases (included in other expenses) | 4              | 15             |
| Total amount recognised in profit or loss                          | <b>198</b>     | <b>349</b>     |

The Group had total cash outflows for leases of \$277,000 in 2023 (2022: \$304,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of \$325,000 in 2023 (2022: \$57,000). The future cash outflows relating to leases that had not yet commenced are disclosed in Note 29 to the financial statements.

#### Impairment assessment of right-of-use assets

In the previous financial year ended 31 December 2022, the Group carried out impairment assessment for right-of-use assets by estimating the recoverable amounts of the respective CGUs of the Group as disclosed in Note 11 to the financial statements. Based on the impairment assessment, the Group has recorded \$28,000 of impairment loss in the financial year ended 31 December 2022.

#### *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 of 2 year or less, 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. The lease agreements for office space and warehouse have renewal options of 6 months to 2 years.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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:

|                                        | Office and<br>warehouse<br>premises<br>\$'000 | Office and<br>laboratory<br>equipment<br>\$'000 | Total<br>\$'000 |
|----------------------------------------|-----------------------------------------------|-------------------------------------------------|-----------------|
| <b>Company</b>                         |                                               |                                                 |                 |
| At 1 January 2022                      | 56                                            | 113                                             | 169             |
| Additions                              | 58                                            | –                                               | 58              |
| Depreciation expense                   | (79)                                          | (113)                                           | (192)           |
| At 31 December 2022 and 1 January 2023 | 35                                            | –                                               | 35              |
| Additions                              | 193                                           | –                                               | 193             |
| Depreciation expense                   | (114)                                         | –                                               | (114)           |
| <b>At 31 December 2023</b>             | <b>114</b>                                    | <b>–</b>                                        | <b>114</b>      |

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

|                              | Company        |                |
|------------------------------|----------------|----------------|
|                              | 2023<br>\$'000 | 2022<br>\$'000 |
| At 1 January                 | 177            | 274            |
| Additions                    | 193            | 58             |
| Accretion of interest        | 6              | 10             |
| Payments – principal portion | (172)          | (155)          |
| – interest                   | (6)            | (10)           |
| At 31 December               | <b>198</b>     | 177            |
| Analysed as:                 |                |                |
| Current                      | 137            | 117            |
| Non-current                  | 61             | 60             |
|                              | <b>198</b>     | 177            |

A maturity analysis of lease liabilities is as follows:

| Company                                  | Interest rate<br>% | Maturity             | 2023<br>\$'000 | 2022<br>\$'000 |
|------------------------------------------|--------------------|----------------------|----------------|----------------|
| Current portion of lease liabilities     | 2.08 – 5.25        | 2024<br>(2022: 2023) | 137            | 117            |
| Non-current portion of lease liabilities | 2.08 – 5.25        | 2025<br>(2022: 2024) | 61             | 60             |
|                                          |                    |                      | <b>198</b>     | 177            |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23. BORROWINGS

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

|                              | Group and Company |         |
|------------------------------|-------------------|---------|
|                              | 2023              | 2022    |
|                              | \$'000            | \$'000  |
| At 1 January                 | 2,743             | 3,764   |
| Accretion of interest        | 63                | 92      |
| Payments – principal portion | (1,050)           | (1,021) |
| – interest                   | (63)              | (92)    |
| At 31 December               | 1,693             | 2,743   |
| Analysed as:                 |                   |         |
| Current                      | 1,080             | 1,050   |
| Non-current                  | 613               | 1,693   |
|                              | 1,693             | 2,743   |

A maturity analysis of borrowings is as follows:

| Group and Company                 | Effective interest rate % | Maturity                    | 2023   | 2022   |
|-----------------------------------|---------------------------|-----------------------------|--------|--------|
|                                   |                           |                             | \$'000 | \$'000 |
| Current portion of bank loans     | 2.50 – 3.00               | 2024<br>(2022: 2023)        | 1,080  | 1,050  |
| Non-current portion of bank loans | 2.50 – 3.00               | 2025<br>(2022: 2024 – 2025) | 613    | 1,693  |
|                                   |                           |                             | 1,693  | 2,743  |

## 24. DEFERRED CONSIDERATION

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. DEFERRED CONSIDERATION (CONTINUED)

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

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

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

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

- (a) to settle \$1,161,250 of the deferred consideration, of which \$550,000 will be settled by way of cash, while the remaining \$611,250 will be satisfied by way of issuance of new ordinary shares of the Company;
- (b) that the Company shall pay to CBSA the Cash Settlement Sum within two (2) weeks from the date of execution of the Partial Settlement Deed;
- (c) that CBSA agrees to receive, and the Company agrees to issue, 37,500,000 Consideration Shares at an issue price of \$0.0163 for each Consideration Share, which was based on the volume weighted average price of the issued ordinary shares of the Company traded on the SGX-ST on 28 February 2023 of \$0.0163 per Share;
- (d) that the issuance of the Consideration Shares will be subject to the receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for the Consideration Shares on the Catalist Board of the SGX-ST (“LQN”). In the event that the LQN is not granted by the SGX-ST, the Parties agree without reservation that CBSA shall be entitled to:
  - i. retain the full sum of the Cash Settlement Sum free and clear of all claims and conditions and other encumbrances whatsoever; and
  - ii. receive the balance amount of the Deferred Consideration less the Cash Settlement Sum, being \$2,750,000, by no later than 25 November 2023, by way of bank transfer of immediately available funds to an account designated by CBSA, and
- (e) that the Share Charge shall continue to be in effect and all the Charged Shares shall remain charged in favour of CBSA in accordance with the terms and conditions of the Share Charge until the balance amount of the Deferred Consideration has been paid in full, whether 42 months from the Completion Date or otherwise.

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

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

The Deferred Consideration was fully repaid on 30 November 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. DEFERRED CONSIDERATION (CONTINUED)

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

|                                                    | Group and Company |        |
|----------------------------------------------------|-------------------|--------|
|                                                    | 2023              | 2022   |
|                                                    | \$'000            | \$'000 |
| Balance as at 1 January 2023                       | 3,244             | 3,214  |
| Loss/(gain) from remeasurement                     | 14                | (30)   |
| Accretion of interest                              | 42                | 60     |
| Repayment of Partial Settlement Sum – cash payment | (550)             | –      |
| – by issuance of shares                            | (611)             | –      |
| Final Payment                                      | (2,139)           | –      |
| Balance as at 31 December 2023                     | –                 | 3,244  |

## 25. DEFERRED TAX LIABILITIES

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

|                                     | Group  |        |
|-------------------------------------|--------|--------|
|                                     | 2023   | 2022   |
|                                     | \$'000 | \$'000 |
| At 1 January                        | –      | 476    |
| Reversed to profit or loss (Note 9) | –      | (476)  |
| Balance as at 31 December           | –      | –      |

## 26. SHARE CAPITAL

|                                               | Group and Company |        |               |        |
|-----------------------------------------------|-------------------|--------|---------------|--------|
|                                               | 2023              |        | 2022          |        |
|                                               | No. of shares     | \$'000 | No. of shares | \$'000 |
| <b>Issued and fully paid ordinary shares:</b> |                   |        |               |        |
| At the beginning of the year                  | 493,367,905       | 64,358 | 265,451,700   | 58,883 |
| Share issuance during the year                | 164,258,700       | 2,236  | 227,916,205   | 5,698  |
| Share issuance expense                        | –                 | (58)   | –             | (223)  |
| At the end of the year                        | 657,626,605       | 66,536 | 493,367,905   | 64,358 |

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.

On 1 March 2023, the Company issued and allotted 28,258,700 new ordinary shares to a director and certain employees of the Company pursuant to the Biolidics Performance Share Plan (Note 6) based on their past contributions to the Company. The total number of shares in the Company increased from 493,367,905 shares to 521,626,605 Shares.

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

On 21 November 2023, the Company issued and allotted 98,500,000 new ordinary shares mentioned in Note 2(a) for total cash consideration of \$1,173,000. The total number of shares has increased to 657,626,605 shares.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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")<br>(ii) Up to 518,500 Shares ("Tranche 2A")<br>(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:<br><br>(i) Tranche 1A: Financial year ended 31 December 2020<br>(ii) Tranche 2A: Financial year ended 31 December 2021<br>(iii) Tranche 3A: Financial year ended 31 December 2022               |
| Payout                   | 0% – 150% depending on the achievement of specified performance targets over the respective performance period and requisite service period:<br><br>(i) Tranche 1A: Within 4 months from 1 January 2021<br>(ii) Tranche 2A: Within 4 months from 1 January 2022<br>(iii) Tranche 3A: Within 4 months from 1 January 2023 |

The summarised information regarding the share-based payment activity and amounts for the third-party individuals is as follows:

|         | As at<br>beginning of<br>financial year<br>Number of<br>share awards | Granted<br>during<br>financial year<br>Number of<br>share awards | Vested<br>during<br>financial year<br>Number of<br>share awards | Lapsed/<br>forfeited<br>during<br>financial year<br>Number of<br>share awards | As at end of<br>financial year<br>Number of<br>share awards | Grant date<br>fair value for<br>outstanding units<br>\$ |
|---------|----------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|
| FY 2022 | 1,037,000                                                            | –                                                                | –                                                               | 1,037,000                                                                     | –                                                           | –                                                       |

As at 31 December 2022, the Group assessed that the performance conditions for the Awards granted on 18 August 2020 have not been met. These Awards are considered lapsed. The corresponding share-based payment reserve of \$35,000 has been reversed out accordingly. There is no equity-settled shares granted to third party individuals as at 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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        |                |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                     | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| <i>Subsidiaries of a shareholder of the Company</i> |                |                |                |                |
| Rental expenses                                     | -              | (14)           | -              | -              |
| Receipt of management and support services          | -              | (45)           | -              | -              |
| Rendering of laboratory services                    | -              | 16             | -              | -              |
| Recharge of expenses to the Group and Company       | -              | (10)           | -              | -              |
| Recharge of expenses from the Group and Company     | -              | 1              | -              | -              |
| <i>Company related to a director of the Company</i> |                |                |                |                |
| Purchases of inventories                            | -              | (11)           | -              | (11)           |
| <i>Shareholder of the Company</i>                   |                |                |                |                |
| Secondment of staff                                 | -              | (24)           | -              | (24)           |
| Recharge of expenses by the Group and Company       | -              | 5              | -              | 5              |

The balances above are unsecured, non-interest bearing, repayable on demand and expected to be settled in cash unless otherwise stated. No guarantees have been given or received.

- (b) **Compensation of directors and key management personnel**

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

|                                                       | Group and Company |                |
|-------------------------------------------------------|-------------------|----------------|
|                                                       | 2023<br>\$'000    | 2022<br>\$'000 |
| Short-term benefits                                   | 403               | 505            |
| Employer's contribution to defined contribution plans | 28                | 42             |
| Allowance for performance awards                      | -                 | 507            |
|                                                       | <b>431</b>        | <b>1,054</b>   |

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the balance sheets.

In order to minimise credit risk, the Group has a policy that requests first-time customers to make advance payment prior to the delivery of the goods. Subsequently, the Group uses the customers' payment history and any publicly available information to assess its customers and other debtors. The Group's exposure and the payment history of its customers are continuously monitored and any new orders from customers with long overdue payment will be put on hold until they settle their payments.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments within 12 months when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

The Group considers available reasonable and supportable forward-looking information which includes actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is past due for more than 30 days past due in making contractual payment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 12 months past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery, such as a debtor failing to engage in a repayment plan with the Group. None of the trade receivables that have been written-off is subject to enforcement activities.

The Group uses three categories of internal credit risk ratings for debt instruments which reflect their credit risk and how the loss provision is determined for each of those categories. In determining the expected credit loss ("ECL"), the Group considers the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

#### *Other receivables*

For purpose of impairment assessment, other receivables (third parties) are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

#### *Trade receivables*

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

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

As disclosed in Note 16, the Group recorded \$161,000 (2022: \$81,000) of ECL as at 31 December 2023. The Company recorded \$265,000 (2022: \$258,000) of ECL as at 31 December 2023.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for trade receivables and other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

#### *Excessive risk concentration*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

#### *Credit risk concentration profile*

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

|                    | Group      |            |        |      |
|--------------------|------------|------------|--------|------|
|                    | 2023       |            | 2022   |      |
|                    | \$'000     | % of       | \$'000 | % of |
| <i>By country:</i> |            |            |        |      |
| Singapore          | 157        | 67         | 482    | 81   |
| France             | 3          | 1          | 6      | 1    |
| Indonesia          | 46         | 20         | 46     | 8    |
| Thailand           | –          | –          | 34     | 6    |
| Philippines        | 18         | 8          | 18     | 3    |
| Other countries    | 10         | 4          | 10     | 1    |
| Total              | <b>234</b> | <b>100</b> | 596    | 100  |

The Group is dependent on a relatively small group of customers for a substantial portion of its business. As at the end of the reporting period, approximately 65% (2022: 47%) of the Group's trade receivables was due from 1 (2022: 1) customers, which amounted to \$69,000 (2022: \$283,000).

Apart from the above, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The Company has no significant concentration of credit risk except for the receivable from the subsidiary as disclosed in Note 16 and 17.

### (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 2023, the Group's net current liabilities amounted to \$1,490,000 (2022: \$88,000) with a cash position of \$183,000 (2022: \$5,029,000). Management is of the opinion that the Group and Company will have sufficient cash flows to be able to meet its liabilities and other obligations as and when they fall due for the next twelve months based on consideration of the factors as disclosed in Note 2(a).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Liquidity risk (Continued)

*Analysis of financial instruments by remaining contractual maturities*

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

|                                              | One year<br>or less<br>\$'000 | One to five<br>years<br>\$'000 | Total<br>\$'000 |
|----------------------------------------------|-------------------------------|--------------------------------|-----------------|
| <b>Group</b>                                 |                               |                                |                 |
| <b>2023</b>                                  |                               |                                |                 |
| <i>Financial assets</i>                      |                               |                                |                 |
| Trade receivables                            | 73                            | –                              | 73              |
| Other receivables                            | 62                            | –                              | 62              |
| Cash and cash equivalents                    | 183                           | –                              | 183             |
| Total undiscounted financial assets          | <b>318</b>                    | –                              | <b>318</b>      |
| <i>Financial liabilities</i>                 |                               |                                |                 |
| Trade payables                               | 19                            | –                              | 19              |
| Other payables                               | 524                           | –                              | 524             |
| Lease liabilities                            | 212                           | 132                            | 344             |
| Borrowings                                   | 1,113                         | 619                            | 1,732           |
| Total undiscounted financial liabilities     | <b>1,868</b>                  | <b>751</b>                     | <b>2,619</b>    |
| Total net undiscounted financial liabilities | <b>(1,550)</b>                | <b>(751)</b>                   | <b>(2,301)</b>  |
| <b>2022</b>                                  |                               |                                |                 |
| <i>Financial assets</i>                      |                               |                                |                 |
| Trade receivables                            | 515                           | –                              | 515             |
| Other receivables                            | 131                           | –                              | 131             |
| Cash and cash equivalents                    | 5,029                         | –                              | 5,029           |
| Total undiscounted financial assets          | 5,675                         | –                              | 5,675           |
| <i>Financial liabilities</i>                 |                               |                                |                 |
| Trade payables                               | 93                            | –                              | 93              |
| Other payables                               | 1,144                         | –                              | 1,144           |
| Lease liabilities                            | 216                           | 61                             | 277             |
| Borrowings                                   | 1,112                         | 1,732                          | 2,844           |
| Deferred consideration                       | 3,300                         | –                              | 3,300           |
| Total undiscounted financial liabilities     | 5,865                         | 1,793                          | 7,658           |
| Total net undiscounted financial liabilities | (190)                         | (1,793)                        | (1,983)         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

|                                              | One year<br>or less<br>\$'000 | One to five<br>years<br>\$'000 | Total<br>\$'000 |
|----------------------------------------------|-------------------------------|--------------------------------|-----------------|
| <b>Company</b>                               |                               |                                |                 |
| <b>2023</b>                                  |                               |                                |                 |
| <i>Financial assets</i>                      |                               |                                |                 |
| Trade receivables                            | 3                             | -                              | 3               |
| Other receivables                            | 43                            | -                              | 43              |
| Cash and cash equivalents                    | 127                           | -                              | 127             |
| Total undiscounted financial assets          | <b>173</b>                    | <b>-</b>                       | <b>173</b>      |
| <i>Financial liabilities</i>                 |                               |                                |                 |
| Trade payables                               | 8                             | -                              | 8               |
| Other payables                               | 437                           | -                              | 437             |
| Lease liabilities                            | 143                           | 62                             | 205             |
| Borrowings                                   | 1,113                         | 619                            | 1,732           |
| Total undiscounted financial liabilities     | <b>1,701</b>                  | <b>681</b>                     | <b>2,382</b>    |
| Total net undiscounted financial liabilities | <b>(1,528)</b>                | <b>(681)</b>                   | <b>(2,209)</b>  |
| <b>2022</b>                                  |                               |                                |                 |
| <i>Financial assets</i>                      |                               |                                |                 |
| Trade receivables                            | 48                            | -                              | 48              |
| Other receivables                            | 531                           | -                              | 531             |
| Cash and cash equivalents                    | 4,960                         | -                              | 4,960           |
| Total undiscounted financial assets          | <b>5,539</b>                  | <b>-</b>                       | <b>5,539</b>    |
| <i>Financial liabilities</i>                 |                               |                                |                 |
| Trade payables                               | 4                             | -                              | 4               |
| Other payables                               | 1,091                         | -                              | 1,091           |
| Lease liabilities                            | 121                           | 61                             | 182             |
| Borrowings                                   | 1,112                         | 1,732                          | 2,844           |
| Deferred consideration                       | 3,300                         | -                              | 3,300           |
| Total undiscounted financial liabilities     | <b>5,628</b>                  | <b>1,793</b>                   | <b>7,421</b>    |
| Total net undiscounted financial liabilities | <b>(89)</b>                   | <b>(1,793)</b>                 | <b>(1,882)</b>  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Foreign currency risk

The Group transacts its business in various foreign currencies, including the United States Dollar, Euro, Pound Sterling, Australian Dollar and Chinese Yuan 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         |                |
|                      | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| United States Dollar | 2              | 12             | 50             | 2              |
| Euro                 | –              | 18             | 3              | 28             |
| Pound Sterling       | –              | –              | 2              | 55             |
| Chinese Yuan         | 4              | –              | –              | –              |

|                      | Company        |                |                |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | Liabilities    |                | Assets         |                |
|                      | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| United States Dollar | 2              | 10             | 50             | 2              |
| Euro                 | –              | 18             | 3              | 28             |
| Pound Sterling       | –              | –              | 2              | 55             |

The Group ensures that the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

#### Foreign currency sensitivity

A 1% fluctuation in the relevant foreign currencies against functional currency of each group entity, with all other variables held constant, will not have a significant impact on the Group's profit for the current and previous financial years.

## 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.

The Group's ability to continue to operate as a going concern is based on the factors as disclosed in Note 2(a).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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.

The following are the identified business segments of the Group:

**(a) Cancer**

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

**(b) Infectious diseases**

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

**(c) Laboratory services**

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

**(d) Corporate segment**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. SEGMENT INFORMATION (CONTINUED)

### (d) Corporate segment (Continued)

#### Segment revenue and results

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

|                                         | Cancer<br>\$'000 | Infectious<br>diseases<br>\$'000 | Laboratory<br>services<br>\$'000 | Corporate<br>segment<br>\$'000 | Total<br>\$'000 |
|-----------------------------------------|------------------|----------------------------------|----------------------------------|--------------------------------|-----------------|
| <b>2023</b>                             |                  |                                  |                                  |                                |                 |
| <b>Revenue:</b>                         |                  |                                  |                                  |                                |                 |
| External customers                      | 278              | -                                | 1,037                            | -                              | 1,315           |
| Inter-segment                           | -                | -                                | -                                | -                              | -               |
| Total revenue                           | 278              | -                                | 1,037                            | -                              | 1,315           |
| <b>Segment results:</b>                 |                  |                                  |                                  |                                |                 |
| Other income                            | -                | -                                | 13                               | 127                            | 140             |
| Employee benefits expense               | (45)             | (19)                             | (572)                            | (1,015)                        | (1,651)         |
| Depreciation expense                    | (22)             | -                                | (125)                            | (94)                           | (241)           |
| Research and development<br>expense     | (31)             | -                                | -                                | -                              | (31)            |
| Other expenses                          |                  |                                  |                                  |                                |                 |
| - Allowance for expected credit<br>loss | (8)              | -                                | (72)                             | -                              | (80)            |
| - Others                                | 32               | -                                | (839)                            | (426)                          | (1,233)         |
| Finance costs                           | -                | -                                | (2)                              | (111)                          | (113)           |
| Segment loss before tax                 | 82               | (28)                             | (1,023)                          | (1,519)                        | (2,488)         |
| Income tax credit                       | -                | -                                | -                                | -                              | -               |
| Segment loss after tax                  | 82               | (28)                             | (1,023)                          | (1,519)                        | (2,488)         |
| <b>Segment assets</b>                   | 374              | -                                | 286                              | 22                             | 682             |
| <b>Segment liabilities</b>              | 2,433            | -                                | 230                              | 8                              | 2,671           |
| <b>Assets:</b>                          |                  |                                  |                                  |                                |                 |
| Additions to non-current assets         | 193              | -                                | 132                              | -                              | 325             |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. SEGMENT INFORMATION (CONTINUED)

### (d) Corporate segment (Continued)

Segment revenue and results (Continued)

|                                     | Cancer<br>\$'000 | Infectious<br>diseases<br>\$'000 | Laboratory<br>services<br>\$'000 | Corporate<br>segment<br>\$'000 | Total<br>\$'000 |
|-------------------------------------|------------------|----------------------------------|----------------------------------|--------------------------------|-----------------|
| 2022                                |                  |                                  |                                  |                                |                 |
| <b>Revenue:</b>                     |                  |                                  |                                  |                                |                 |
| External customers                  | 208              | 344                              | 1,937                            | –                              | 2,489           |
| Inter-segment                       | –                | –                                | –                                | –                              | –               |
| Total revenue                       | 208              | 344                              | 1,937                            | –                              | 2,489           |
| <b>Segment results:</b>             |                  |                                  |                                  |                                |                 |
| Other income                        | –                | –                                | 34                               | 271                            | 305             |
| Employee benefits expense           | (91)             | (62)                             | (849)                            | (1,877)                        | (2,879)         |
| Depreciation expense                | (345)            | –                                | (256)                            | (160)                          | (761)           |
| Amortisation expense                | (89)             | –                                | (333)                            | –                              | (422)           |
| Research and development<br>expense | (121)            | (106)                            | –                                | –                              | (227)           |
| Other expenses                      |                  |                                  |                                  |                                |                 |
| – Impairment loss                   | (809)            | –                                | (3,233)                          | –                              | (4,042)         |
| – Others                            | (1,416)          | (59)                             | (715)                            | (629)                          | (2,819)         |
| Finance costs                       | –                | –                                | (7)                              | (161)                          | (168)           |
| Segment loss before tax             | (2,690)          | (246)                            | (4,358)                          | (2,556)                        | (9,850)         |
| Income tax credit                   | –                | –                                | 56                               | 420                            | 476             |
| Segment loss after tax              | (2,690)          | (246)                            | (4,302)                          | (2,136)                        | (9,374)         |
| <b>Segment assets</b>               | 1,342            | 4,025                            | 699                              | 22                             | 6,088           |
| <b>Segment liabilities</b>          | 1,237            | 3,711                            | 2,817                            | 11                             | 7,776           |
| <b>Assets:</b>                      |                  |                                  |                                  |                                |                 |
| Additions to non-current assets     | 60               | –                                | 22                               | 11                             | 93              |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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 |                |
|------------------------|----------------|----------------|---------------------|----------------|---------------------|----------------|
|                        | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000      | 2022<br>\$'000 | 2023<br>\$'000      | 2022<br>\$'000 |
| <b>Segment revenue</b> |                |                |                     |                |                     |                |
| Singapore              | –              | 14             | –                   | 298            | <b>1,035</b>        | 1,857          |
| Japan                  | <b>66</b>      | 32             | –                   | –              | –                   | –              |
| China                  | –              | 11             | –                   | –              | –                   | –              |
| Europe                 | <b>7</b>       | 18             | –                   | –              | –                   | 2              |
| Hong Kong              | <b>38</b>      | 78             | –                   | –              | –                   | –              |
| Taiwan                 | –              | –              | –                   | –              | –                   | 57             |
| Philippines            | –              | –              | –                   | –              | <b>2</b>            | 14             |
| Indonesia              | –              | –              | –                   | 46             | –                   | –              |
| Thailand               | <b>89</b>      | 51             | –                   | –              | –                   | 7              |
| Malaysia               | <b>64</b>      | 4              | –                   | –              | –                   | –              |
| United States          | <b>14</b>      | –              | –                   | –              | –                   | –              |
|                        | <b>278</b>     | 208            | –                   | 344            | <b>1,037</b>        | 1,937          |

All of the non-current assets of the Group were located in Singapore as at 31 December 2023 and 31 December 2022. Accordingly, no geographical segment analysis is presented.

#### Information about major customers

Revenue is derived from 2 (2022: 1) external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

|            |                       | 2023<br>\$'000 | 2022<br>\$'000 |
|------------|-----------------------|----------------|----------------|
|            | Attributable segments |                |                |
| Customer 1 | Laboratory services   | <b>667,000</b> | 1,316,000      |
| Customer 2 | Laboratory services   | <b>158,000</b> | –              |
|            |                       | <b>825,000</b> | 1,316,000      |

## 32. FAIR VALUE OF ASSETS AND LIABILITIES

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 33. EVENTS OCCURRING AFTER THE REPORTING PERIOD

### (i) Proposed Subscription of 83,000,000 New Ordinary Shares

On 21 December 2023, the Company entered into a subscription agreement with Mr. Zhou Chao, on the share subscription of 83,000,000 new ordinary shares in the issued share capital of the Company at an issue price of \$0.0121 per subscription share, to raise gross proceeds of \$1.04 million. The shares were issued on 15 January 2024. The Company will utilise the net proceeds of approximately \$0.93 million from the share subscription for working capital purposes.

### (ii) Proposed Diversification of Business

To provide additional and recurrent revenue streams for the Group, with the approval of shareholders in the Extraordinary General Meeting held on 23 February 2024, the Group will be diversifying its business into Multi-Channel Networking, E-Sports and Live-streaming. This will allow the Group to reduce its reliance on the Group's existing business in cancer, infectious disease and laboratory services.

### (iii) Proposed Issuance of Sign-On Shares

On 20 March 2024, the Company announced that based on the Service Agreement signed on 20 March 2024 (the "Agreement") by the Company and Chen Lu (the "Executive"), the Company will issue shares representing 4.5% of the issued and paid-up capital of the Company as at the date of the Agreement, being 33,514,148 Shares, (the "Sign-On Shares"), on or before 31 March 2024, or on a date to be mutually agreed by the Parties. Pursuant to the terms of the Agreement and subject to meeting relevant rules and regulations and requirements, the Company shall employ the Executive and the Executive shall serve the Company as a full-time Executive Director, under the direction and supervision of, and reporting to, the Board. On the terms and subject to the conditions of the Agreement, the Company will issue the Sign-On Shares to the Executive at Nil consideration and the aggregate value of the Sign-On Shares is \$368,656, based on the volume-weighted average price of the Company's Shares on 20 March 2024 of S\$0.011, being the full market day on which Shares were traded on the date of execution of the Service Agreement.

## 34. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 1 April 2024.

## STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

|                                              |   |                    |
|----------------------------------------------|---|--------------------|
| ISSUED AND PAID-UP SHARE CAPITAL             | : | \$56,215,342       |
| NUMBER OF ISSUED SHARES                      | : | 744,758,836        |
| CLASS OF SHARES                              | : | ORDINARY SHARES    |
| VOTING RIGHTS ON A POLL                      | : | ONE VOTE PER SHARE |
| NUMBER AND PERCENTAGE OF TREASURY SHARES     | : | Nil                |
| NUMBER AND PERCENTAGE OF SUBSIDIARY HOLDINGS | : | Nil                |

| SIZE OF SHAREHOLDINGS |   | NO. OF SHAREHOLDERS | %     | NO. OF SHARES | %                  |               |
|-----------------------|---|---------------------|-------|---------------|--------------------|---------------|
| 1                     | – | 99                  | 21    | 0.87          | 1,350              | 0.00          |
| 100                   | – | 1,000               | 111   | 4.63          | 72,196             | 0.01          |
| 1,001                 | – | 10,000              | 656   | 27.36         | 4,209,376          | 0.56          |
| 10,001                | – | 1,000,000           | 1,540 | 64.22         | 205,101,105        | 27.54         |
| 1,000,001 & above     |   |                     | 70    | 2.92          | 535,374,809        | 71.89         |
| <b>TOTAL</b>          |   | <b>2,398</b>        |       | <b>100.00</b> | <b>744,758,836</b> | <b>100.00</b> |

### TOP TWENTY SHAREHOLDERS

|    | NAME OF SHAREHOLDERS                 | NO. OF SHARES      | % OF SHARES  |
|----|--------------------------------------|--------------------|--------------|
| 1  | OCBC SECURITIES PRIVATE LTD          | 106,283,100        | 14.27        |
| 2  | ZHOU CHAO                            | 83,000,000         | 11.14        |
| 3  | MAYBANK SECURITIES PTE. LTD.         | 40,869,400         | 5.49         |
| 4  | PHILLIP SECURITIES PTE LTD           | 26,534,917         | 3.56         |
| 5  | SEEDS CAPITAL PTE. LTD.              | 25,880,800         | 3.48         |
| 6  | SONG TANG YIH                        | 24,501,500         | 3.29         |
| 7  | DBS NOMINEES PTE LTD                 | 23,271,536         | 3.12         |
| 8  | TRAUWIN PTE LIMITED                  | 19,044,600         | 2.56         |
| 9  | HSBC (SINGAPORE) NOMINEES PTE LTD    | 15,610,300         | 2.10         |
| 10 | MOOMOO FINANCIAL SINGAPORE PTE. LTD. | 14,884,900         | 2.00         |
| 11 | TOK BOON SEONG                       | 10,500,000         | 1.41         |
| 12 | LEE EE @ LEE ENG                     | 9,181,100          | 1.23         |
| 13 | IFAST FINANCIAL PTE LTD              | 7,466,530          | 1.00         |
| 14 | LIM CHWEE TECK                       | 7,330,600          | 0.98         |
| 15 | RAFFLES NOMINEES (PTE) LIMITED       | 6,680,500          | 0.90         |
| 16 | KGI SECURITIES (SINGAPORE) PTE. LTD  | 5,082,231          | 0.68         |
| 17 | UOB KAY HIAN PTE LTD                 | 4,831,500          | 0.65         |
| 18 | TNG BENG CHOON                       | 4,530,000          | 0.61         |
| 19 | TIGER BROKERS (SINGAPORE) PTE. LTD.  | 4,137,100          | 0.56         |
| 20 | KOH SEOW HUAT                        | 4,001,000          | 0.54         |
|    |                                      | <b>443,621,614</b> | <b>59.57</b> |

### SUBSTANTIAL SHAREHOLDERS

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

|   | NAME OF SHAREHOLDER | DIRECT INTEREST | %     | NO. OF SHARES DEEMED INTEREST | % |
|---|---------------------|-----------------|-------|-------------------------------|---|
| 1 | Zhu Hua             | 98,500,000      | 13.23 | –                             | – |
| 2 | Zhou Chao           | 83,000,000      | 11.14 | –                             | – |

### Public Shareholdings

Based on the information available to the Company as at 18 March 2024, approximately 72.34% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalyst issued by SGX-ST.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**AGM**”) of Biolidics Limited (the “**Company**”) will be held at Metropolitan YMCA Singapore (Cassia Room), 60 Stevens Road, Singapore 257854 on Monday, 29 April 2024 at 11.00 a.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 2023 (“**FY2023**”), the directors’ statement and the auditor’s report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of up to S\$230,000 for the financial year ending 31 December 2024 (“**FY2024**”), payable quarterly in arrears. **(Resolution 2)**
3. To re-elect Mr Gavin Mark McIntyre, a Director retiring pursuant to Regulation 97 of the Company’s Constitution. (See Explanatory Note 1) **(Resolution 3)**
4. To re-elect Mr Ian David Brown, a Director retiring pursuant to Regulation 97 of the Company’s Constitution. (See Explanatory Note 2) **(Resolution 4)**
5. To re-elect Mr Liew Yoke Pheng Joseph, a Director retiring pursuant to Regulation 103 of the Company’s Constitution. (See Explanatory Note 3) **(Resolution 5)**
6. To re-elect Mr Zhu Hua, a Director retiring pursuant to Regulation 103 of the Company’s Constitution. (See Explanatory Note 4) **(Resolution 6)**
7. To appoint PKF-CAP LLP (“**PKF**”) as auditors (“**Auditors**”) of the Company in place of the retiring auditors, Baker Tilly TFW LLP (“**Baker Tilly**”), to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (See Explanatory Note 5) **(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 Catalyst (“**Catalist Rules**”) and the Constitution, the Directors be and hereby authorised to:

  - I. (a) allot and issue Shares whether by way of rights, bonus or otherwise; and/or
  - (b) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures, or other instruments convertible into Shares;

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

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



## NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (a) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this resolution), shall not exceed 100% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company (“**Shareholders**”) shall not exceed 50% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) that may be issued under sub-paragraph (a) above, the percentage of the issued Shares shall be based on the total issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) new Shares arising from exercising of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) of the Catalist Rules are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate;

- (c) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Constitution for the time being; and
- (d) the authority conferred by this resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.”

(See [Explanatory Note 6](#))

**(Resolution 8)**

## NOTICE OF ANNUAL GENERAL MEETING

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,

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 7)

**(Resolution 9)**

### By Order of the Board

Nor Hafiza Alwi  
Company Secretary  
Singapore

12 April 2024

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

- (1) Mr Gavin Mark McIntyre (“**Mr McIntyre**”) will, upon re-election as a Director, remain as a Non-Executive Independent Chairman of the Company. Mr McIntyre is considered by the Board 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 Company’s annual report for FY2023 (“**FY2023 Annual Report**”).
- (2) Mr Ian David Brown (“**Mr Brown**”) will, upon re-election as a Director, remain as an Independent Director of the Company. Mr Brown is considered by the Board 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 Company’s “FY2023 Annual Report”.
- (3) Mr Liew Yoke Pheng Joseph (“**Mr Liew**”) will, upon re-election as a Director, remain as an Independent Director of the Company. Mr Liew is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Liew can be found under the sections entitled “Board of Directors” and “Additional Information on Directors Seeking Re-election” of the Company’s FY2023 Annual Report.
- (4) Mr Zhu Hua (“**Mr Zhu**”) will, upon re-election as a Director, remain as a Non-Executive Non-Independent Director of the Company. Detailed information on Mr Zhu can be found under the sections entitled “Board of Directors” and “Additional Information on Directors Seeking Re-election” of the Company’s FY2023 Annual Report.
- (5) Resolution 7 in item 7 above is to approve the appointment of PKF as Auditors of the Company for the financial year ending 31 December 2024 in place of retiring Auditors, Baker Tilly (the “**Proposed Appointment of Auditors**”), and to authorise the Directors to fix their remuneration. Please refer to the appendix to this Notice of AGM dated 12 April 2024 which sets out, among others, information on specific reasons for the Proposed Appointment of Auditors (the “**Appendix**”).

In accordance with Rule 712(3) of the Catalist Rules:

- (a) the outgoing Auditors, Baker Tilly, has confirmed in its professional clearance letter dated 1 April 2024 to PKF, confirming that save for the Disclaimer of Opinion and the basis for the Disclaimer of Opinion raised in their audit report dated 1 April 2024 on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2023, Baker Tilly is not aware of any professional reasons why PKF should not accept appointment as the Company’s Auditors;
  - (b) the Company confirms that, save for the Disclaimer of Opinion and the basis for the Disclaimer of Opinion raised in their audit report dated 1 April 2024 on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2023, there were no disagreements with the outgoing auditors, Baker Tilly, on accounting treatments within the last twelve (12) months;
  - (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of Shareholders which have not been disclosed in the Appendix;
  - (d) the Company confirms that the specific reasons for the Proposed Appointment of Auditors is as disclosed in the Appendix; and
  - (e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the Proposed Appointment of Auditors.
- (6) Resolution 8 in item 9, 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.
  - (7) Resolution 9 in item 10, 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.

## NOTES:

1. The AGM is being convened and will be held, in a wholly physical format, at Metropolitan YMCA Singapore (Cassia Room), 60 Stevens Road, Singapore 257854 on Monday, 29 April 2024 at 11.00 a.m.. Members, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. **There will be no option for members to participate virtually.**

Printed copies of this Notice of AGM and the accompanying Proxy Form have been despatched to the members. These documents will also be published 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>.

# NOTICE OF ANNUAL GENERAL MEETING

2. The FY2023 Annual Report and the Appendix dated 12 April 2024 in relation to the proposed appointment of auditors (“**Appendix**”) have been published 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>.

Members may request printed copies of these documents by completing and submitting the request form sent to them by post together with printed copies of this Notice and the accompanying Proxy Form.

3. The members of the Company may participate in the AGM by:
- attending the AGM in person;
  - raising questions at the AGM or submitting questions in advance of the AGM; and/or
  - voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

Please bring along your NRIC/Passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the AGM, if they are unwell.

4. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
5. A proxy need not be a member of the Company.
6. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
7. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes (“**CPF Investors**”) and/or Supplementary Retirement Scheme (“**SRS Investors**”) should approach their CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM (by 11.00 a.m. on 18 April 2024). CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.
8. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. Where such member appoints two (2) proxies, the proportion of the shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
9. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The instrument appointing the proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter of power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy. A corporation which is a member 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.

“**Relevant intermediary**” has the same meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore:

- a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
10. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the Chairman as proxy will vote or abstain from voting at his discretion.
11. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:
- If sent personally or by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - If submitted by email, be received by the Company’s Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case, by 11.00 a.m. on 26 April 2024, being seventy-two (72) hours before the time appointed for the holding of the AGM.

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

# NOTICE OF ANNUAL GENERAL MEETING

12. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM within 7 calendar days from the date of this Notice of AGM, i.e., no later than 19 April 2024 ("**Cut-Off Time**"):

- (a) post to the Company's registered office at 18 Howard Road, #11-09 Novelty BizCentre, Singapore 369585; or
- (b) by email to [circular@biolidics.com](mailto:circular@biolidics.com).

When submitting questions by post or via email, shareholders should also provide the Company with the following details for verification purposes: (a) full name of shareholder; (b) address of shareholder; and (c) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip).

13. The Company will address all substantial and relevant questions received from shareholders by the Cut-Off Time by publishing its responses to such questions on the Company's website at the URL <http://www.biolidics.com> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> at least 48 hours prior to the closing date and time for the submission of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions (which are related to the resolutions to be tabled for approval at the Annual General Meeting) received after the Cut-Off Time either within a reasonable timeframe before the Annual General Meeting, or at the Annual General Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

14. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the Company's corporate website and on SGXNet within one (1) month after the AGM.

## PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consent to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Key information regarding the Retiring Directors who have been nominated for re-election as Directors of the Company are set out below:

| Name of Director                                                                                                                                                                                                          | Mr Gavin Mark McIntyre ("Mr McIntyre")                                                                                                                                                                                                                                                      | Mr Ian David Brown ("Mr Brown")                                                                                                                                                                        | Mr Liew Yoke Pheng Joseph ("Mr Liew")                                                                                                                                                                 | Mr Zhu Hua ("Mr Zhu")                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Initial Appointment                                                                                                                                                                                               | 23 November 2021                                                                                                                                                                                                                                                                            | 14 June 2021                                                                                                                                                                                           | 27 November 2023                                                                                                                                                                                      | 1 December 2023                                                                                                                                                                                                       |
| Date of last re-appointment (if applicable)                                                                                                                                                                               | 28 April 2022                                                                                                                                                                                                                                                                               | 28 April 2022                                                                                                                                                                                          | Not applicable                                                                                                                                                                                        | Not applicable                                                                                                                                                                                                        |
| Age                                                                                                                                                                                                                       | 58                                                                                                                                                                                                                                                                                          | 61                                                                                                                                                                                                     | 67                                                                                                                                                                                                    | 47                                                                                                                                                                                                                    |
| Country of principal residence                                                                                                                                                                                            | Singapore                                                                                                                                                                                                                                                                                   | Australia                                                                                                                                                                                              | Singapore                                                                                                                                                                                             | Singapore                                                                                                                                                                                                             |
| The Board's comments on the appointment (including rationale, selection criteria, and the search and nomination process)                                                                                                  | Having reviewed his qualification, work experiences and overall contribution, the board of Directors of the Company (the "Board") with recommendation of the Nominating Committee ("NC"), approves the re-election of Mr McIntyre as the Non-Executive Independent Chairman of the Company. | Having reviewed his qualification, work experiences and overall contribution, the Board with recommendation of the NC, approves the re-election of Mr Brown as an Independent Director of the Company. | Having reviewed his qualification, work experiences and overall contribution, the Board with recommendation of the NC, approves the re-election of Mr Liew as an Independent Director of the Company. | Having reviewed his qualification, work experiences and overall contribution, the Board with recommendation of the NC, approves the re-election of Mr Zhu as a Non-Executive Non-Independent Director of the Company. |
| Whether the appointment is executive, and if so, the area of responsibility                                                                                                                                               | Non-Executive                                                                                                                                                                                                                                                                               | Non-Executive                                                                                                                                                                                          | Non-Executive                                                                                                                                                                                         | Non-Executive                                                                                                                                                                                                         |
| Job Title (e.g., Lead ID, AC Chairman, AC Member etc.)                                                                                                                                                                    | Non-Executive Independent Chairman, member of the Audit Committee and Remuneration Committee                                                                                                                                                                                                | Independent Director, Chairman of the Remuneration Committee and member of the Audit Committee and NC                                                                                                  | Independent Director, Chairman of the Audit Committee and member of the NC                                                                                                                            | Non-Executive Non-Independent Director                                                                                                                                                                                |
| Professional qualifications                                                                                                                                                                                               | Please refer to the section entitled "Board of Directors" on pages 7 to 9 of the Company's Annual Report 2023.                                                                                                                                                                              |                                                                                                                                                                                                        |                                                                                                                                                                                                       |                                                                                                                                                                                                                       |
| Working experience and occupations during the past 10 years                                                                                                                                                               | Please refer to the section entitled "Board of Directors" on pages 7 to 9 of the Company's Annual Report 2023.                                                                                                                                                                              |                                                                                                                                                                                                        |                                                                                                                                                                                                       |                                                                                                                                                                                                                       |
| Shareholding interest in the listed issuer and its subsidiaries                                                                                                                                                           | Nil                                                                                                                                                                                                                                                                                         | Nil                                                                                                                                                                                                    | Nil                                                                                                                                                                                                   | Direct interest: 98,500,000 ordinary shares in Biolidics Limited.                                                                                                                                                     |
| Any relationship (including immediate family relationships with any existing director, existing executive officer, the issue and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries) | Nil                                                                                                                                                                                                                                                                                         | Nil                                                                                                                                                                                                    | Nil                                                                                                                                                                                                   | Nil                                                                                                                                                                                                                   |

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director                                                                                             | Mr Gavin Mark McIntyre<br>("Mr McIntyre")                                                                                                                                                                                                                                                                                             | Mr Ian David Brown<br>("Mr Brown")                                                                                                                                                                                                                                                                                                           | Mr Liew Yoke Pheng Joseph<br>("Mr Liew")                                                                                                                                                 | Mr Zhu Hua<br>("Mr Zhu")                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conflict of interest (including any competing business)                                                      | Nil                                                                                                                                                                                                                                                                                                                                   | Nil                                                                                                                                                                                                                                                                                                                                          | Nil                                                                                                                                                                                      | Nil                                                                                                                                                                                                                                                                                                                                                                                                         |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes                                                                                                                                                                                                                                                                                                                                   | Yes                                                                                                                                                                                                                                                                                                                                          | Yes                                                                                                                                                                                      | Yes                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Other Principal Commitments including Directorships:</b>                                                  |                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                             |
| Past for the last 5 years                                                                                    | Directorships:<br>1. Nico Steel Holdings Limited                                                                                                                                                                                                                                                                                      | Directorships:<br>1. Recce Pharmaceuticals Limited<br>2. Activ Foundation Inc.<br>3. iHive Foundation Ltd<br>4. Perth Angels Inc<br>5. InterGrain Pty Ltd<br>6. OmniBlend Innovation Pty Ltd<br>7. Curva Partners Pty Ltd<br>8. 99Conversations Pty Ltd<br>9. Verve InfoTec Pty Ltd<br>10. Cytomatrix Limited<br>11. Nohla Therapeutics Inc. | Directorships:<br>1. Hoe Leong Corporation Limited<br>2. Shanghai Turbo Enterprises Limited                                                                                              | Directorships:<br>1. People's Cultural Heritage (Sichuan) Technology Co., Ltd<br>2. Khorgos Weiniao Technology Limited<br>3. Shanghai Junlu Equity Investment Fund Management Limited<br>4. Shanghai Mobai Equity Investment Fund Management Limited<br>5. Jintai Zhenghe Investment (Beijing) Limited<br>6. Hainan Huashiwani Network Technology Limited<br>7. Hainan Changyong Network Technology Limited |
| Present                                                                                                      | Directorships*:<br>1. VOPius Limited<br>2. Equitasasia Pte Ltd<br>3. Equitasasia Holdings Pte Ltd<br>4. Equitas Financial Services Pte Ltd<br>5. Aegis Interaktif Asia Pte Ltd<br>6. Don Agro International Limited<br>7. Waystron Pte Ltd<br>8. Equitasasia Sdn Bhd<br>9. Equitasasia Limited<br>10. Equitasasia (Thailand) Co., Ltd | Directorships*:<br>1. Yallingup Ventures Pty Ltd<br>2. Britten-Brown Enterprises Pty Ltd<br>3. REX Ortho Pty Ltd<br>4. Respiradigm Pty Ltd<br>5. First Breath Pty Ltd<br>6. OxIDx Pty Ltd                                                                                                                                                    | Directorships*:<br>1. Grand Venture Technology Limited<br>2. Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited<br>3. Lew Foundation Limited<br>4. Char Yong (Dabu) Foundation | Directorships*:<br>1. Zhenghe Antai (Beijing) Investment Management Co., Ltd<br>2. HuaXing Wealth Holdings Limited<br>3. Microbeam Software Technology (Shanghai) Limited<br>4. Microbeam Interactive Holdings Limited<br>5. Microbeam International Holdings Limited                                                                                                                                       |



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director | Mr Gavin Mark McIntyre<br>("Mr McIntyre")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Mr Ian David Brown<br>("Mr Brown") | Mr Liew Yoke Pheng Joseph<br>("Mr Liew") | Mr Zhu Hua<br>("Mr Zhu")                                                                                                                                                                                                                                                                                                                                                     |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | <p>Xihe Holdings group of companies</p> <ol style="list-style-type: none"> <li>1. Xin Dun Shipping (Pte) Ltd (judicial managers appointed)</li> <li>2. Xin Bo Shipping (Pte) Ltd (judicial managers appointed)</li> <li>3. An He Shipping Pte Ltd (in creditors' voluntary liquidation)</li> <li>4. An Sheng Shipping Pte Ltd (in creditors' voluntary liquidation)</li> <li>5. An Hua Shipping Pte Ltd (in creditors' voluntary liquidation)</li> <li>6. An Xing Shipping Pte Ltd (in creditors' voluntary liquidation)</li> <li>7. An Ya Shipping Pte Ltd (in creditors' voluntary liquidation)</li> <li>8. An Kang Shipping Pte Ltd (in creditors' voluntary liquidation)</li> <li>9. An Hui Shipping Pte. Ltd. (in creditors' voluntary liquidation)</li> <li>10. An Guang Shipping Pte Ltd (in creditors' voluntary liquidation)</li> <li>11. Xin Guang Shipping (Pte) Ltd (in receivership)</li> <li>12. Da Guang Tankers (Pte) Ltd (judicial managers appointed)</li> <li>13. Da Zhong Tankers (Pte) Ltd (judicial managers appointed)</li> <li>14. Dong Sheng Tankers (Pte) Ltd (judicial managers appointed)</li> <li>15. Dong Ya Tankers (Pte) Ltd (judicial managers appointed)</li> <li>16. Dafa Shipping (Pte) Ltd (judicial managers appointed)</li> <li>17. Xin An Shipping (Pte) Ltd (judicial managers appointed)</li> <li>18. Xin Kang Shipping (Pte) Ltd (judicial managers appointed)</li> <li>19. Dong Jiang Tankers (Pte) Ltd (judicial managers appointed)</li> </ol> |                                    |                                          | <ol style="list-style-type: none"> <li>6. Microbeam International (Hongkong) Holdings Limited</li> <li>7. Shanghai Banding Digital Technology Limited</li> <li>8. Weiyu Software Technology (Beijing) Limited</li> <li>9. Weiniaon Network Technology (Beijing) Limited</li> <li>10. CESS Holdings Pte. Ltd.</li> <li>11. Metaverse Technology (Chengdu) Co., Ltd</li> </ol> |

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director | Mr Gavin Mark McIntyre ("Mr McIntyre")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Mr Ian David Brown ("Mr Brown") | Mr Liew Yoke Pheng Joseph ("Mr Liew") | Mr Zhu Hua ("Mr Zhu") |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------|-----------------------|
|                  | 20. Xin Chun Shipping (Pte) Ltd (judicial managers appointed)<br>21. Xin Ying Shipping (Pte) Ltd (judicial managers appointed)<br>22. Dong Nan Tankers (Pte) Ltd (judicial managers appointed)<br>23. Xin Hui Shipping (Pte) Ltd (judicial managers appointed)<br>24. Hua Kang Shipping Pte Ltd (in creditors' voluntary liquidation)<br>25. Hua Guang Shipping Pte Ltd (in creditors' voluntary liquidation)<br>26. Hua Xin Shipping Pte Ltd (in creditors' voluntary liquidation)<br>27. Dong Fang Shipping & Trading (Pte) Ltd (in creditors' voluntary liquidation)<br>28. Hua An Shipping Pte Ltd (in creditors' voluntary liquidation)<br>29. Nan Hai Maritime (Pte.) Ltd. (in creditors' voluntary liquidation)<br>30. Nan Chiau Maritime (Pte.) Ltd. (in creditors' voluntary liquidation)<br>31. Nan Sia Maritime (Pte.) Ltd. (in creditors' voluntary liquidation)<br>32. Xin Ya Shipping & Trading (Pte) Ltd (in creditors' voluntary liquidation)<br>33. Nan Ya Maritime (Pte.) Ltd. (in members' voluntary liquidation)<br>34. Nan Yi Maritime (Pte.) Ltd. (in creditors' voluntary liquidation)<br>35. Nan King Maritime (Pte.) Ltd. (in creditors' voluntary liquidation) |                                 |                                       |                       |

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director                                                                                                                                                                                                                                                                                                              | Mr Gavin Mark McIntyre ("Mr McIntyre")                                                                                                                                                                                                                                                                                                                                                                                                    | Mr Ian David Brown ("Mr Brown") | Mr Liew Yoke Pheng Joseph ("Mr Liew") | Mr Zhu Hua ("Mr Zhu") |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------|-----------------------|
| (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/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner? | 36. Hua Sheng Shipping Pte. Ltd. (provisional liquidators appointed)<br>37. Nan Zhou Maritime (Pte.) Ltd. (provisional liquidators appointed)<br>38. Xin Sheng Shipping (Pte) Ltd (provisional liquidators appointed)<br>39. Da Xin Tankers (Pte) Ltd (provisional liquidators appointed)<br>40. Hua Zhong Shipping Pte. Ltd. (provisional liquidators appointed)<br>41. Da Zhong Tankers (Pte) Ltd<br>42. Nan Chuan Maritime (Pte.) Ltd. |                                 |                                       |                       |
|                                                                                                                                                                                                                                                                                                                               | No                                                                                                                                                                                                                                                                                                                                                                                                                                        | No                              | No                                    | No                    |

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Mr Gavin Mark McIntyre ("Mr McIntyre")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Mr Ian David Brown ("Mr Brown") | Mr Liew Yoke Pheng Joseph ("Mr Liew") | Mr Zhu Hua ("Mr Zhu") |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------|-----------------------|
| (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/she was a director or an equivalent person or a key executive, at the time when he/she 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/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | Yes<br><br>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").<br><br>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.<br><br>These activities are part of the overall plans to rehabilitate the core business of the 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 judicial managers. | No                              | No                                    | No                    |
| (c) Whether there is any unsatisfied judgment against him/her?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No                              | No                                    | No                    |

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Mr Gavin Mark McIntyre<br>("Mr McIntyre") | Mr Ian David Brown<br>("Mr Brown") | Mr Liew Yoke Pheng Joseph<br>("Mr Liew") | Mr Zhu Hua<br>("Mr Zhu") |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------|------------------------------------------|--------------------------|
| (d) Whether he/she 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/she is aware) for such purpose?                                                                                                                                                                                                                                                                     | No                                        | No                                 | No                                       | No                       |
| (e) Whether he/she 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/she 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/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part? | No                                        | No                                 | No                                       | No                       |
| (g) Whether he/she 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 Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Mr Gavin Mark McIntyre<br>("Mr McIntyre") | Mr Ian David Brown<br>("Mr Brown") | Mr Liew Yoke Pheng Joseph<br>("Mr Liew") | Mr Zhu Hua<br>("Mr Zhu") |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------|------------------------------------------|--------------------------|
| (h) Whether he/she 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/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?                                                                                                                                                                                                                                                                                                                                                                                                                                       | No                                        | No                                 | No                                       | No                       |
| (j) Whether he/she has ever, to his/her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—<br><br>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or<br><br>(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<br><br>(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                       |

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| Name of Director                                                                                                                                                                                                                                                                                                                | Mr Gavin Mark McIntyre<br>("Mr McIntyre") | Mr Ian David Brown<br>("Mr Brown") | Mr Liew Yoke Pheng Joseph<br>("Mr Liew") | Mr Zhu Hua<br>("Mr Zhu") |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------|------------------------------------------|--------------------------|
| (iii) 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? |                                           |                                    |                                          |                          |
| (k) Whether he/she 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                                 | No                                       | No                       |

\* Please refer to the section entitled "Board of Directors" on pages 7 to 9 of the Company's Annual Report 2023 for further details on other principal commitments.



# APPENDIX

## APPENDIX DATED 12 APRIL 2024

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS APPENDIX OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

This Appendix is circulated to the shareholders of Biolidics Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) together with the Company’s annual report for the financial year ended 31 December 2023 (the “**Annual Report**”). Its purpose is to provide shareholders of the Company with information relating to the Proposed Appointment of Auditors (as defined herein) to be tabled at the 2024 AGM (as defined herein) to be held on 29 April 2024 at 11.00 a.m. at Metropolitan YMCA Singapore (Cassia Room), 60 Stevens Road, Singapore 257854.

The ordinary resolutions proposed to be passed in respect of the Proposed Appointment of Auditors are set out as Ordinary Resolution 7 in the Notice of AGM (as defined herein) enclosed in 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, the Notice of AGM and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix, Notice of AGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Appendix, Notice of AGM and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Evolve Capital Advisory Private Limited (the “**Sponsor**”). This Appendix has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any statements or opinions made, or reports contained in this Appendix.

The contact person for the Sponsor is Mr. Jerry Chua and Mr. Tan Jun Yong, who can be contacted at 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906, telephone: +65 6241 6626.



## **BIOLIDICS LIMITED**

(Company Registration No. 200913076M)

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

### **APPENDIX TO THE NOTICE OF AGM IN RELATION TO THE PROPOSED APPOINTMENT OF PKF-CAP LLP AS AUDITORS OF THE COMPANY**

# APPENDIX

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# APPENDIX

## DEFINITIONS

In this Appendix, except where the context otherwise requires, the following definitions shall apply throughout:

|                         |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“2024 AGM”</b>       | : | the annual general meeting of the Company to be held at Metropolitan YMCA Singapore (Cassia Room), 60 Stevens Road, Singapore 257854 on 29 April 2024 at 11.00 a.m.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“ACRA”</b>           | : | the Accounting and Corporate Regulatory Authority of Singapore                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“AGM”</b>            | : | the annual general meeting of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Annual Report”</b>  | : | The annual report of the Company for FY2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Appendix”</b>       | : | this Appendix to the Notice of AGM dated 12 April 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Associate”</b>      | : | (a) in relation to any individual, including a Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"> <li>(i) his immediate family;</li> <li>(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</li> <li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;</li> </ul> (b) in relation to a Substantial Shareholder or 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% or more |
| <b>“Baker Tilly”</b>    | : | Baker Tilly TFW LLP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Board”</b>          | : | the board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Business Day”</b>   | : | a day other than a Saturday, a Sunday, or a gazetted public holiday in Singapore                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“Catalist”</b>       | : | the Catalist board of the SGX-ST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“Catalist Rules”</b> | : | the SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>“CDP”</b>            | : | the Central Depository (Pte) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>“Company”</b>        | : | Biolidics Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Companies Act”</b>  | : | the Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Constitution”</b>   | : | the Constitution of the Company, as may be amended, modified or supplemented from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

## APPENDIX

|                                              |   |                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“control”</b>                             | : | the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company                                                                                                                                                                                                   |
| <b>“Controlling Shareholder”</b>             | : | a person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or</li> <li>(b) in fact exercises control over a company</li> </ul> |
| <b>“Director”</b>                            | : | a director of the Company as at the date of this Appendix or from time to time, as the case may be                                                                                                                                                                                                                                   |
| <b>“Disclaimer of Opinion”</b>               | : | Disclaimer of opinion issued by Baker Tilly to the Company for the financial year ended 31 December 2023 as announced on 1 April 2024                                                                                                                                                                                                |
| <b>“EGM”</b>                                 | : | the extraordinary general meeting of the Company                                                                                                                                                                                                                                                                                     |
| <b>“Financial Year”</b>                      | : | each period of 12 months or more or less than 12 months, at the end of which the balance of accounts of the relevant company are prepared and audited, for the purpose of laying the same before an annual general meeting of the relevant company                                                                                   |
| <b>“FY2023”</b>                              | : | the financial year ended 31 December 2023                                                                                                                                                                                                                                                                                            |
| <b>“Group”</b>                               | : | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                     |
| <b>“Latest Practicable Date”</b>             | : | 18 March 2024, being the latest practicable date prior to the issue of this Appendix                                                                                                                                                                                                                                                 |
| <b>“Notice of AGM”</b>                       | : | the notice of the 2024 AGM                                                                                                                                                                                                                                                                                                           |
| <b>“PKF”</b>                                 | : | PKF-CAP LLP                                                                                                                                                                                                                                                                                                                          |
| <b>“Proposed Appointment of Auditors”</b>    | : | the proposed appointment of PKF as auditors to the Company                                                                                                                                                                                                                                                                           |
| <b>“Securities Accounts”</b>                 | : | the securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent                                                                                                                                                                                              |
| <b>“SFA” or “Securities and Futures Act”</b> | : | the Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time                                                                                                                                                                                                                      |
| <b>“SGXNet”</b>                              | : | Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST                                                                                                                                                   |
| <b>“SGX-ST”</b>                              | : | Singapore Exchange Securities Trading Limited                                                                                                                                                                                                                                                                                        |
| <b>“Shares”</b>                              | : | ordinary shares in the capital of the Company and “Share” shall be construed accordingly                                                                                                                                                                                                                                             |

## APPENDIX

|                                  |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Shareholders”</b>            | : | registered holder(s) of Shares in the register of members of the Company, except where the registered holder is CDP, in which case the term “Shareholders” shall, in relation to such Shares, mean the Depositors who have Shares entered against their name in the Depository Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts |
| <b>“Subsidiary Holdings”</b>     | : | Shares held by a subsidiary in accordance with the Companies Act                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Substantial Shareholder”</b> | : | a person who has an interest or interests in voting Shares (excluding Treasury Shares and Subsidiary Holdings), representing not less than 5% of all the voting Shares                                                                                                                                                                                                                                                                               |
| <b>“Treasury Shares”</b>         | : | the Shares held in treasury by the Company                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“%”</b>                       | : | per centum or percentage                                                                                                                                                                                                                                                                                                                                                                                                                             |

Unless the context otherwise requires:

- (a) the terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA;
- (b) the terms **“subsidiary”** and **“related corporations”** shall have the meanings ascribed to them respectively in Section 5 of the Companies Act;
- (c) 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. Unless the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;
- (d) any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless the context otherwise requires;
- (e) any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated;
- (f) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them; and
- (g) the headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

# APPENDIX

## LETTER TO SHAREHOLDERS

### BIOLIDICS LIMITED

(Company Registration No.: 200913076M)

(Incorporated in the Republic of Singapore)

#### Directors:

|                            |                                                         |
|----------------------------|---------------------------------------------------------|
| Mr. Gavin Mark McIntyre    | <i>(Non-Executive Independent Chairman)</i>             |
| Mr. Song Tang Yih          | <i>(Executive Director and Chief Executive Officer)</i> |
| Mr. Ian David Brown        | <i>(Independent Director)</i>                           |
| Ms. Ch'ng Li-Ling          | <i>(Independent Director)</i>                           |
| Mr. Liew Yoke Pheng Joseph | <i>(Independent Director)</i>                           |
| Mr. Zhu Hua                | <i>(Non-Executive Non-Independent Director)</i>         |

#### Registered Office:

18 Howard Road  
#11-09 Novelty  
BizCentre  
Singapore 369585

12 April 2024

To: The Shareholders of the Company

Dear Sir/Madam,

#### THE PROPOSED APPOINTMENT OF PKF-CAP LLP AS AUDITORS OF THE COMPANY

---

### 1. INTRODUCTION

- 1.1. The Directors refer to the Notice of AGM dated 12 April 2024 accompanying the Annual Report of the Company for FY2023, and ordinary resolutions set out in the Notice of AGM in relation to the Proposed Appointment of Auditors.
- 1.2. The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Appointment of Auditors to be tabled at the 2024 AGM and to seek Shareholders' approval for the Ordinary Resolution 8 relating to the same as set out in the Notice of AGM.
- 1.3. 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.
- 1.4. The Company has appointed Icon Law LLC (the Singapore member of the ZICO Law Network), as the legal adviser to the Company for the Proposed Appointment of Auditors.

### 2. THE PROPOSED APPOINTMENT OF AUDITORS

#### 2.1. Background and Rationale

The Company's Auditors, Baker Tilly, was appointed as the Auditors of the Company at the EGM held on 26 July 2023. However, Baker Tilly has indicated its intention not to seek re-appointment as the independent auditor of the Company and will retire at the conclusion of the upcoming 2024 AGM.

Following changes to the composition of the Board, re-constituted board committees as well as substantial shareholders during the current Financial Year, the Board is of the view that as part of ongoing good corporate governance initiatives and the Group's continual efforts to manage its overall business costs and expenses amidst the challenging business climate, given the Group's current level of activities and business, it would be an opportune time to review the appointment of auditors and benchmark its audit fees and realise cost efficiencies.

## APPENDIX

In the Independent Auditors' Report dated 1 April 2024 issued by Baker Tilly in relation to the audited consolidated financial statements of the Group and the Company for FY2023, respectively, certain matters were flagged by Baker Tilly for disclaimer in the report ("**Disclaimer of Opinion**"). The basis for the Disclaimer of Opinion is in relation to the use of the Group's going concern assumption and the comparative information with respect to impairment assessment performed. For further information of the Disclaimer of Opinion, please refer to the Company's announcement and annual report for FY2023 released on the SGXNet on 1 April 2024 and 12 April 2024 respectively.

Following a review and evaluation of several reputable audit firms in Singapore, the Audit Committee, having considered, amongst others, the Audit Quality Indicators Disclosure Framework issued by ACRA, the adequacy of the resources and experience of PKF and the audit engagement partner assigned to the audit, other audit engagements of PKF, the Group's audit requirements, the size and complexity of the Group and the number and experience of supervisory and professional staff of PKF to be assigned to the audit, the fee structure and audit arrangements proposed by PKF, is of the opinion that PKF will be able to meet the audit requirements of the Group.

The Proposed Appointment of Auditors will allow the Group to save approximately 5.0% in audit fees in comparison to the audit fees incurred by the Group for FY2023. There will be no change in the scope of audit services, and the Company does not expect the reduction in cost to affect the standards and effectiveness of the audit to be undertaken.

After evaluation, the Audit Committee recommended the appointment of PKF as Auditors of the Company in place of Baker Tilly to the Board. The Board, in consultation with the Audit Committee and taking into consideration the requirements of Rule 712 and Rule 715 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), has determined that PKF is best suited to meet the existing needs and audit requirements of the Group. The Board is of the opinion that the Proposed Appointment of Auditors is in the best interests of the Company and the Shareholders and recommends that PKF be appointed as the new Auditors subject to shareholders' approval at the 2024 AGM.

In connection with the above, PKF has given its consent to act as Auditors of the Company, by way of a letter dated 1 April 2024, subject to the approval of Shareholders being obtained at the 2024 AGM. Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the appointment of PKF as Auditor in place of Baker Tilly must be specifically approved by Shareholders at a general meeting. The appointment of PKF would therefore take effect upon the date of approval of the Proposed Appointment of Auditors by Shareholders at the 2024 AGM, and if so appointed, PKF will hold office until the conclusion of the next AGM of the Company.

The Board wishes to express their appreciation for the services rendered by Baker Tilly in the past.

### 2.2. Information on PKF and the Audit Engagement Partner

*The information on PKF and the audit engagement partner below was provided to the Company by PKF. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below. The Directors, however, have exercised due care and made reasonable enquiries as they deem necessary in reviewing the information.*

#### 2.2.1. Information on PKF

PKF is a firm of Chartered Accountants in Singapore and is registered with ACRA. PKF is considered a mid-tier accounting firm in Singapore and, together with its affiliated firms, services a wide array of auditing, accounting, taxation, corporate secretarial and advisory clients in diversified industries such as trading and manufacturing, shipping, fund and asset management, property management, professional services, fintech, medtech, mining and construction. Its partners, managers and directors have significant experience acting as auditors for several companies listed on the SGX-ST.



## APPENDIX

PKF is part of a global network of accountancy firms which comprises member firms with over 400 offices in 150 countries and is bound together by a shared commitment to quality, integrity and the creation of clarity in a complex regulatory environment.

For more information about PKF, please visit its website at <https://www.pkfsingapore.com/>.

For the audit of the Group, the audit engagement team will comprise at least the following professionals: one (1) engagement partner, one (1) engagement quality control review partner, one (1) engagement manager/director, one (1) audit senior and two (2) audit associates.

### 2.2.2. About the Audit Engagement Partner

Mr. Jonathan Lim will be the audit engagement partner assigned to the audit of the Group.

Mr. Jonathan Lim is a Chartered Accountant and practicing member of the Institute of Singapore Chartered Accountants (ISCA), a public accountant registered with ACRA and a practicing member of CPA Australia.

Mr. Jonathan Lim has more than 13 years of public accounting experience in audit assurance and financial reporting with the Big Four and local accounting firms. Mr. Jonathan Lim began his career with EY Malaysia in 2011, before joining PwC Singapore in 2014. In 2020, he left PwC Singapore where he was an Audit Manager and joined a local Singapore accounting firm, as an Audit Senior Manager and subsequently became an Audit Partner in 2021.

During his career as an Audit Partner, Mr. Jonathan Lim managed an extensive portfolio of multinationals, private and public listed companies, and statutory boards which are involved in a wide variety of industries and businesses such as fund management, financial education services, investments, trading and distribution, charities, commodities brokers, construction and engineering services, IT software, logistics and shipping industries. He was also involved in internal audits, special audits and grant audits assignments of the Government's statutory boards, ministries, and public schools.

Mr. Jonathan Lim is a Chartered Accountant and a practicing member of the Institute of Singapore Chartered Accountants (ISCA) and a practicing member of CPA Australia.

The Audit Committee has enquired on whether the audit engagement partner has been subject to the Practice Monitoring Programme review by ACRA. In this regard, the Audit Committee has noted that the audit engagement partner has not been subjected to a Practice Monitoring Programme review by ACRA.

### 2.3. **Compliance with Rule 712 of the Catalist Rules**

Pursuant to Rule 712(3) of the Catalist Rules, the Company would like to highlight that:

- (a) the Company received a copy of Baker Tilly's professional clearance letter dated 1 April 2024 to PKF, confirming that save for the Disclaimer of Opinion and the basis for the Disclaimer of Opinion raised in their audit report dated 1 April 2024 on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2023, Baker Tilly is not aware of any professional reasons why PKF, should not accept appointment as the Company's Auditors;
- (b) the Company confirms that save for the Disclaimer of Opinion and basis for the Disclaimer of Opinion raised in their audit report dated 1 April 2024 on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2023, there were no disagreements with Baker Tilly on accounting treatments within the last 12 months up to the date of this Appendix;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Appendix;

## APPENDIX

- (d) the Company confirms that the specific reasons for the Proposed Appointment of Auditors is as disclosed in this Appendix; and
- (e) the Company confirms that it is or will be in compliance with Rules 712 and 715 of the Catalist Rules in relation to the Proposed Appointment of Auditors.

### 2.4. Compliance with Rule 715 of the Catalist Rules

Upon obtaining the approval of Shareholders at the 2024 AGM for the Proposed Appointment of Auditors, PKF will become the auditors of the Company in place of Baker Tilly. PKF will also be appointed as auditors for the Company's Singapore-incorporated subsidiaries.

### 2.5. Recommendation of the Audit Committee

The Audit Committee, after having reviewed and deliberated, and after taking into consideration the suitability and independence of PKF in meeting the audit requirements of the Group, including the various factors as set out in Sections 2.1 and 2.2 of this Appendix, has recommended the Proposed Appointment of Auditors for approval by the Board.

## 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors and Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors, and Substantial Shareholders in the Shares are as follows:

|                                                               | Direct Interest |                  | Deemed Interest |                  | Total Interest |                  |
|---------------------------------------------------------------|-----------------|------------------|-----------------|------------------|----------------|------------------|
|                                                               | No. of Shares   | % <sup>(1)</sup> | No. of Shares   | % <sup>(1)</sup> | No. of Shares  | % <sup>(1)</sup> |
| <b><u>Directors</u></b>                                       |                 |                  |                 |                  |                |                  |
| Gavin Mark McIntyre                                           | –               | –                | –               | –                | –              | –                |
| Song Tang Yih                                                 | 24,501,500      | 3.29             | –               | –                | 24,501,500     | 3.29             |
| Ian David Brown                                               | –               | –                | –               | –                | –              | –                |
| Ch'ng Li-Ling                                                 | –               | –                | –               | –                | –              | –                |
| Liew Yoke Pheng Joseph                                        | –               | –                | –               | –                | –              | –                |
| Zhu Hua                                                       | 98,500,000      | 13.23            | –               | –                | 98,500,000     | 13.23            |
| <b><u>Substantial Shareholders (other than Directors)</u></b> |                 |                  |                 |                  |                |                  |
| Zhou Chao                                                     | 83,000,000      | 11.14            | –               | –                | 83,000,000     | 11.14            |

**Note:**

- (1) Based on the total issued and paid-up share capital of the Company of 744,758,836 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

Save as disclosed, none of the Directors or their Associates or, as far as the Company is aware, Substantial Shareholders or their Associates, has any interest, direct or indirect, in the proposed resolutions set out in the Notice of AGM, other than through their respective shareholding interest (if any) in the Company.

## APPENDIX

### 4. DIRECTORS' RECOMMENDATIONS

Having considered the rationale and benefits of the Proposed Appointment of Auditors and the Audit Committee's recommendations, the Directors are of the opinion that the Proposed Appointment of Auditors is in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that Shareholders vote in respect of Ordinary Resolution 7 as set out in the Notice of AGM for the Proposed Appointment of Auditors to be proposed at the 2024 AGM.

### 5. 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 Appointment of Auditors to be tabled at the 2024 AGM, 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.

### 6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 18 Howard Road #11-09 Novelty BizCentre, Singapore 369585 during normal office hours from the date of this Appendix up to the date of the 2024 AGM:

- (a) the professional clearance letter issued by Baker Tilly to PKF dated 1 April 2024;
- (b) the letter of consent to act as auditors of the Company from PKF dated 1 April 2024;
- (c) the Constitution; and
- (d) the annual report of the Company for FY2023.

Yours faithfully

For and on behalf of  
the Board of Directors of  
**BIOLIDICS LIMITED**

Mr. Song Tang Yih  
Executive Director and Chief Executive Officer

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# BIOLIDICS LIMITED

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

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT:

This Proxy Form is not valid for use by investors who hold shares in the capital of the Company ("**Shares**") through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the AGM to specify voting instructions. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators by **11.00 a.m. on 18 April 2024**.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC No./Passport No./Company Registration No.)

of \_\_\_\_\_ (Address)

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

| Name | Address | NRIC/Passport No. | Proportion of Shareholdings |   |
|------|---------|-------------------|-----------------------------|---|
|      |         |                   | No. of Shares               | % |
|      |         |                   |                             |   |

\*and/or

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|--|--|--|--|--|

or failing him/her\*, the Chairman of the AGM, as \*my/our \*proxy/proxies to attend, speak and vote for \*me/us on \*my/our behalf, at the AGM of the Company to be held at Metropolitan YMCA Singapore (Cassia Room), 60 Stevens Road, Singapore 257854 on Monday, 29 April 2024 at 11.00 a.m. and at any adjournment thereof. All resolutions put to the vote at the AGM shall be decided by way of poll. \*I/We direct \*my/our \*proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion, as he/she/they will on any other matter arising at the AGM:

| No. | Ordinary Resolutions                                                                                                                                                          | For | Against | Abstained |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|-----------|
| 1.  | To receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2023, the directors' statement and the auditor's report thereon |     |         |           |
| 2.  | To approve the payment of directors' fees for the financial year ending 31 December 2024, payable quarterly in arrears                                                        |     |         |           |
| 3.  | To re-elect Mr Gavin Mark McIntyre as a Director of the Company                                                                                                               |     |         |           |
| 4.  | To re-elect Mr Ian David Brown as a Director of the Company                                                                                                                   |     |         |           |
| 5.  | To re-elect Mr Liew Yoke Pheng Joseph as a Director of the Company                                                                                                            |     |         |           |
| 6.  | To re-elect Mr Zhu Hua as a Director of the Company                                                                                                                           |     |         |           |
| 7.  | To approve the Proposed Appointment of PKF-CAP LLP as Auditors of the Company in place of the retiring Auditors, Baker Tilly TFW LLP                                          |     |         |           |
| 8.  | To authorise the Directors to allot and issue shares in the capital of the Company (" <b>Shares</b> ")                                                                        |     |         |           |
| 9.  | To authorise the Directors to grant awards and to allot and issue Shares pursuant to the Biolidics Performance Share Plan                                                     |     |         |           |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

| Total no. of Shares in  | No. of Shares |
|-------------------------|---------------|
| (a) CDP Register        |               |
| (b) Register of Members |               |

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal of Corporate Member(s)

*\*Delete where inapplicable*

**IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF**



#### **NOTES:**

1. Please insert the total number of shares in the capital of the Company ("**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 of Singapore), 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, this form of proxy shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint 1 or 2 proxies to attend and vote in his/her/their stead. A proxy need not be a member of the Company. Where a member appoints more than 1 proxy, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/her/their appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
3. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he/she thinks fit.
4. The proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
  - (i) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised. The dispensation of the use of common seal pursuant to the Companies Act 1967 is applicable at this AGM.
  - (ii) Where this proxy form is executed by an attorney on behalf of the appointor, the letter of power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
5. For investors who hold shares through relevant intermediaries, including CPF and SRS investors, this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their vote at least seven (7) working days before the AGM (by 11.00 a.m. on 18 April 2024) in order to allow sufficient time for their respective relevant intermediaries to submit a proxy form to vote on their behalf by the cut-off date. "Relevant Intermediary" has the meaning as defined in section 181 of the Singapore Companies Act.
6. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:
  - a. if sent personally or by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, located at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - b. if submitted by email, be received by the Company's Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com).

in either case, by 11.00 a.m. on 26 April 2024, being not less than seventy-two (72) hours before the time appointed for holding the AGM.

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

#### **GENERAL:**

The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

#### **PERSONAL DATA PRIVACY:**

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2024.

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**Biolidics**

**BIOLIDICS LIMITED**

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