Biolidics

BRINGING CLARITY TO CANCER

ANNUAL REPORT 2019

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

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

CORPORATE PROFILE

Incorporated in 2009, Biolidics Limited ("**Biolidics**" or the "**Company**" and together with its subsidiaries, the "**Group**") is a Singapore-based medical technology company focusing on the development of cell enrichment systems which, when combined with other analytical tests, have a wide range of applications for cancer diagnosis, prognosis, treatment selection and treatment monitoring.

Biolidics has developed and commercialised the ClearCell® FX1 System, a fully automated in vitro diagnostic ("**IVD**") medical device which relies on a novel patented technology to separate and enrich cancer cells from blood.

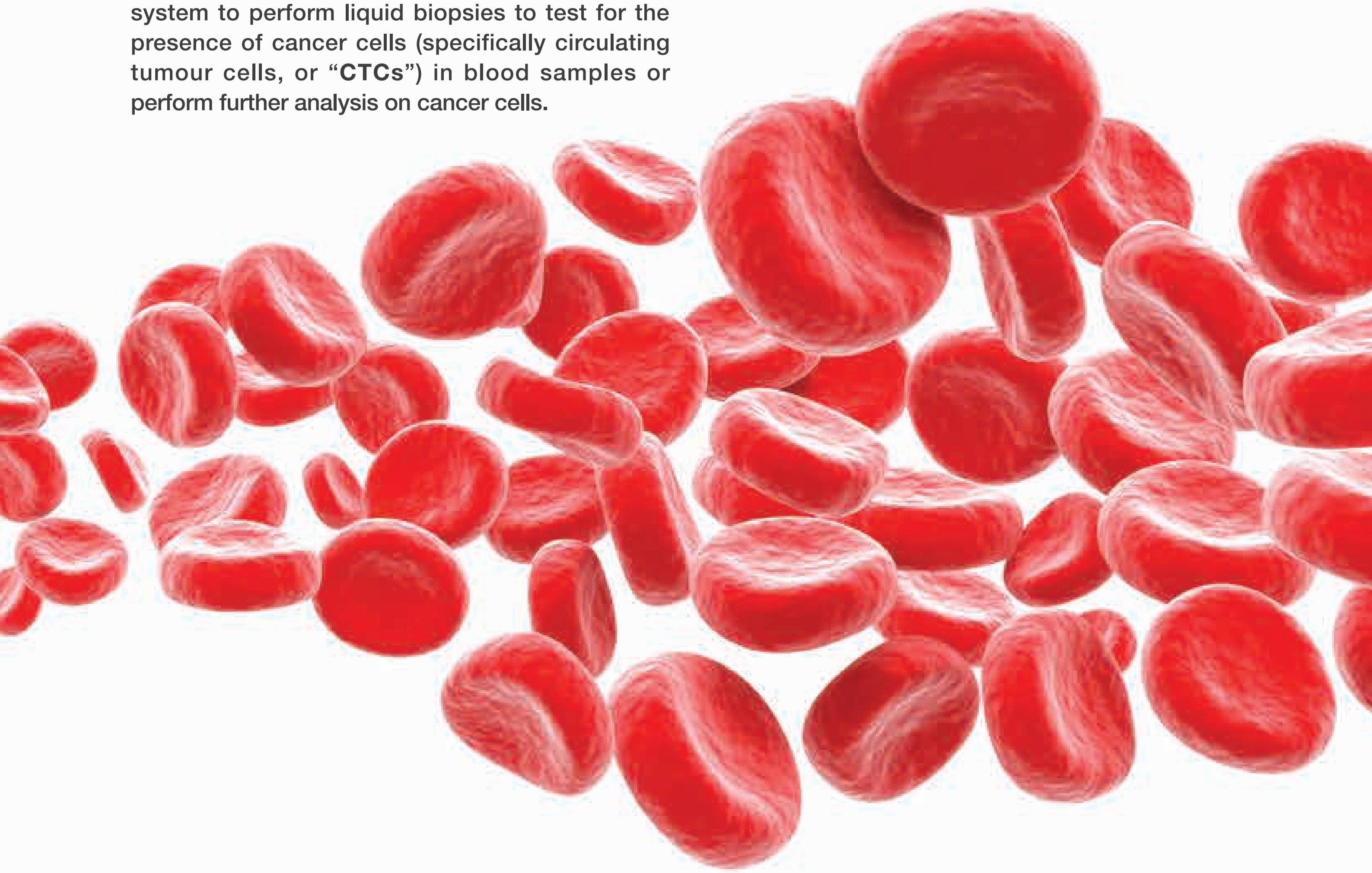
The ClearCell® FX1 System, installed across Asia, Europe and North America, allows users of the system to perform liquid biopsies to test for the presence of cancer cells (specifically circulating tumour cells, or "**CTCs**") in blood samples or perform further analysis on cancer cells.

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

Biolidics' quality assurance capabilities have been recognised through its ISO 13485 certification, CE-IVD, US FDA Class I registration and China National Medical Products Administration ("**NMPA**") Class I registration.

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

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



OVERVIEW OF CANCER

Cancer is the second leading cause of death globally, and is responsible for an estimated **9.6 million deaths in 2018**

https://www.who.int/news-room/fact-sheets/detail/cancer

A GLOBAL HEALTHCARE PROBLEM

Globally, about 1 in 6 deaths is due to cancer

The most common cancers are:
- **Lung**
- **Breast**
- **Colorectal**
- **Prostate**
- **Skin cancer (non-melanoma)**
- **Stomach**

https://www.who.int/news-room/fact-sheets/detail/cancer

One in every 4 to 5 people in Singapore may develop cancer in their lifetime.

https://www.nccs.com.sg/patient-care/cancer-types/cancer-statistics

Metastasis is responsible for an estimated 90% of cancer deaths

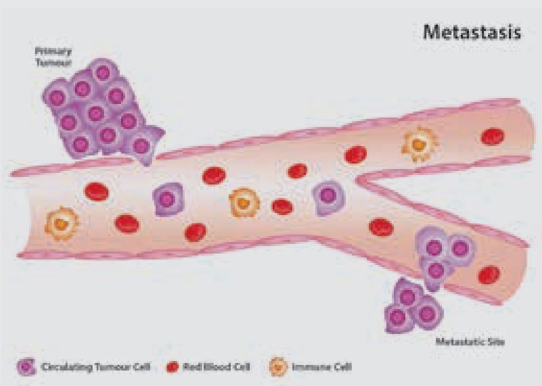
https://academic.oup.com/annonc article/28/9/2045/3938713

What is Cancer?

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

What is Metastasis?

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



Limitations of Traditional Diagnostic Methods

Traditional diagnostic methods for solid tumours involve a tissue biopsy, or the surgical removal of tissue from a patient's body.

- A tissue biopsy is an invasive procedure and not typically performed on a recurring basis, limiting its usefulness for routine periodic patient monitoring to evaluate potential progression of the disease.
- It may not always be possible to obtain a tissue sample, for example where a tumour is not readily accessible for biopsy or a patient's condition is such that a biopsy is not suitable.
- In some cases, the quality and amount of tissue obtained from a tissue biopsy may be insufficient for diagnostic testing.
- Furthermore, cells in different parts of the same tumour can have different molecular features or properties. In a tissue biopsy, only a few thin slices of tumour tissue are evaluated.
- The pathologist's report only reflects the parts of the tumour that were analysed and, if the cells in other parts of the tumour have different features, such as biomarkers corresponding to specific treatments, they can be missed.

COMMERCIAL APPLICATIONS OF OUR TECHNOLOGY

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

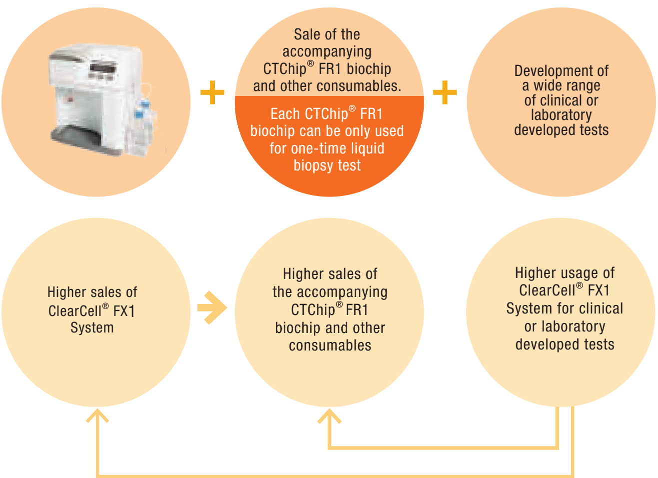
Advantages of our Solution

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

Our Novel, Patented Technology

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

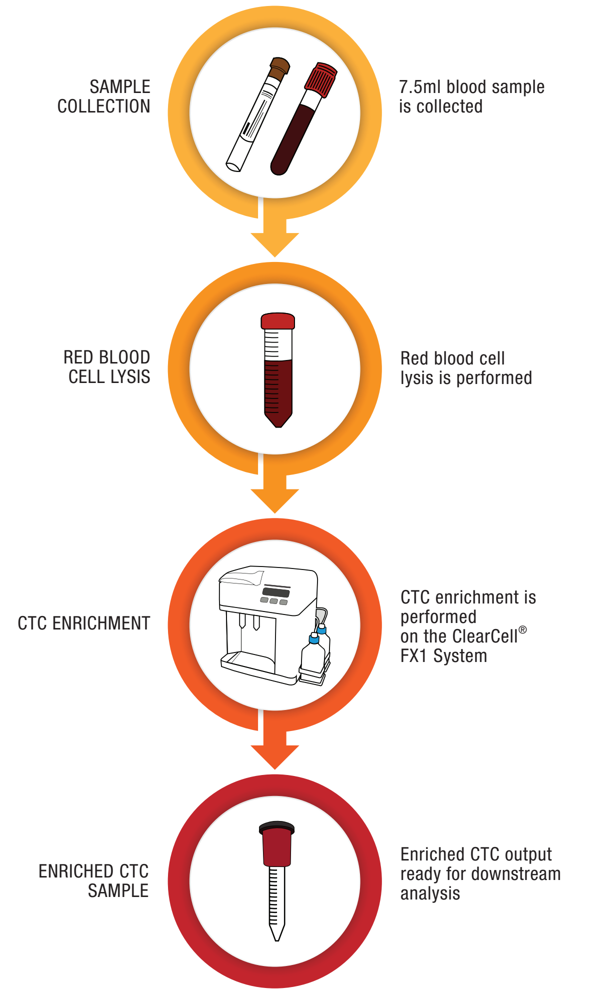
Our Business Model



Commercialisation of our Product

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

Illustration of the ClearCell® FX1 System Work Flow



CORPORATE MILESTONES

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

Feb 19 - Strategic collaboration with Japan-based Sysmex Corporation ("**Sysmex**"), one of the leading suppliers of hematology products

Mar 19 – Biolidics' laboratory partner in China, Hunan Agen Medicine Laboratory Technology Co., Ltd. ("**Hunan Agen Lab**"), to offer cancer diagnostics test using Biolidics' ClearCell® FX1 System and CTChip® FR1 biochips

May 19 – Partnership with Genecast Biotechnology Co., Ltd. to develop new commercial applications using Biolidics' Clearcell® FX1 System and CTChip® FR1 biochips

Jun 19 – Partnership with Zhongshan TopGene Medical Laboratory Co., Ltd. in China to develop new commercial applications using Biolidics' Clearcell® FX1 System and CTChip® FR1 biochips

Nov 19 - Hunan Agen Lab has launched a diagnostics test service, using Biolidics' ClearCell® FX1 System and CTChip® FR1 biochip, to test the status of PD-L1 in cancer patients. This diagnostic test measures the amount of PD- L1 expressed by cancer cells, thereby enabling physicians to gain more insights on how the patient potentially responds to PD-1/PD-L1 immune checkpoint inhibitors

Sept 19 - Collaboration with Agency for Science, Technology and Research's ("**A*STAR**") Genome Institute of Singapore to develop new liquid biopsy test for the monitoring of breast cancer recurrence

Aug 19 - Accorded the prestigious "IPOS Award for IP Champions" by WIPO-IPOS

Nov 19 - Biolidics's ClearCell® FX1 System has obtained the Class I registration from NMPA

Sep 19 - Collaboration with Hangzhou Normal University to undertake clinical investigations for a biomarker in late stage lung cancer and potential companion diagnostics development

Nov 19 - Biolidics entered into a definitive agreement with Sysmex to apply both companies' core expertise and know-how in the development of new LDTs for cancer diagnostics, which supports a growing demand for minimally invasive procedures in this area

CHAIRMAN'S STATEMENT

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

MR YEE PINH JEREMY
Non-Executive Non-Independent Chairman

DEAR SHAREHOLDERS,

On behalf of the board of directors ("**Board**" or "**Directors**") of Biolidics, I am pleased to present the Group's annual report for the financial year ended 31 December 2019 ("**FY2019**"), which marks another year in which we continued to innovate, evolve and grow in the field of cancer diagnostics.

With the rising number of new cancer cases globally, cancer has always been a major public health problem in many countries.

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

Technology has consistently been a driver of transformation in healthcare and more than ever now, technology is disrupting nearly every aspect of healthcare, shaping the industry's future and creating new opportunities for the global cancer diagnostics market that is expected to reach US$249.6 billion by 2026[1].

We believe that we are at the beginning of the disruption and transformation in the cancer diagnostics market, with the progressive developments in the area of liquid biopsy.

DISRUPTING THE CANCER DIAGNOSTICS MARKET

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

Using just a blood sample, Biolidics' ClearCell® FX1 System can separate and enrich cancer cells from blood, allowing users of this fully automated CE-IVD medical device to test for the presence of cancer cells (specifically CTCs) in blood samples or perform further analysis on cancer cells.

[1] https://www.grandviewresearch.com/press-release/global-cancer-diagnostics-market

CHAIRMAN'S STATEMENT

This is in stark contrast with the traditional method for cancer diagnostics which involves a tissue biopsy, a surgical process that is invasive to the patient, expensive and difficult to repeat.

Aligned with rising demand for minimally-invasive cancer diagnostics solutions, we have taken the first step by commercialising this technology innovation, thereby facilitating greater access to patients and scaling our ambitions in the high-growth cancer diagnostics market.

POSITIONED FOR GROWTH WITH STRONG PARTNERSHIPS

Strategically, we have positioned Biolidics as an upstream technology within the cancer diagnostic value-chain, which provides us with areas of opportunity that support our growth objectives.

Our ClearCell® FX1 System is unique in that it is purpose-built to retrieve CTCs from blood sample with our patented technology and it can be integrated with other downstream analytical equipment to develop various LDTs or laboratory assays for cancer diagnostics.

The LDTs are a much cheaper, safer and simpler alternative than traditional methodology and once clinically approved, the LDTs can potentially lead to the sales potential of our products because each LDT will require the usage of one CTChip® FR1 biochip as well as consumables.

Reflecting the strong value propositions of Biolidics' upstream technology, the Group has established various partnerships with other industry leaders around the world. These partnerships allow our respective partners to deploy more resources to their areas of expertise so that the LDTs can be quickly commercialised and brought to market.

Particularly, Biolidics has placed a strategic focus in China, where the incidence of cancer in China has increased at 3.9% annually with an average number of over 10,000 patients diagnosed with cancer per day in China[1].

With the partnerships in China, Biolidics' laboratory partners have made major strides to utilise our ClearCell® FX1 System to undertake clinical investigations, develop LDTs and companion diagnostics tests.

One of the laboratory partners in China, Hunan Agen Lab has announced the commercial launch of 2 LDTs, one is used to detect CTCs and the other is used to test the status of PD-L1 in cancer patients, in China.

In November 2019, Biolidics' ClearCell® FX1 System obtained the Class I registration from NMPA, which allows us to directly market and sell the ClearCell® FX1 System to hospitals, laboratories, research institutions and other medical institutions for IVD testing throughout China.

By strengthening our business presence in the country with the largest number of cancer patients, we believe that it will create various avenues for commercialisation opportunities and allow our medical technology to benefit more cancer patients.

Besides our China strategy, we have also made progress in other geographical markets to harness new growth opportunities through services, partnerships and market expansion.

In Singapore, Biolidics entered into an agreement with A*STAR Genome Institute of Singapore (GIS) in September 2019 for the collaboration and development of a new and innovative liquid biopsy test to predict the risk of breast cancer relapse among breast cancer survivors.

Separately in November 2019, Biolidics entered into a definitive agreement with Japan-based Sysmex, one of the leading suppliers of hematology products in the world, to apply both companies' core expertise and know-how in the development of new cancer diagnostics tests.

This complementary mix of partnerships come together as a platform for growth and innovation towards a potentially scalable and cash generative model.

At the same time, it gives us further impetus in our core mission – lowering healthcare costs and improving clinical outcomes for cancer patients with our technology innovations.

OUR COMMITMENT TOWARDS STAKEHOLDERS

Our team remains driven by the opportunities that allow us to create new value propositions for cancer patients, investors, business partners and other stakeholders who rely on our commitment to innovation, quality and performance.

In closing, on behalf of the Board, I would like to take this opportunity to thank our shareholders for their continued support as we focused on maximising Biolidics' potential in the cancer diagnostic market.

We look forward to build on our momentum and carry our progress forward in the coming year and beyond.

Thank You!

MR YEE PINH JEREMY
Non-Executive Non-Independent Chairman

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

Recent Corporate Developments

Since our successful IPO in December 2018, Biolidics has embarked and continued to execute on our growth strategy to broaden our market presence in the cancer diagnostics market with a view to deliver meaningful value propositions for various stakeholders, which includes our shareholders, cancer patients, technology partners, among others.

To develop more opportunities for value creation and strengthen our positioning as an upstream technology within the cancer diagnostic value-chain, one of Biolidics' key strategy is to establish partnerships that develop LDTs or laboratory assays for cancer diagnostics.

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

Over the past 12 months, Biolidics has announced a slew of strategic collaborations and partnerships with established medical and clinical laboratories, and medical technology companies specialising in precision medicine within the oncology field in various countries and more details can be found in the corporate milestones section of this annual report.

With a collective vision to revolutionise the cancer diagnostics market, Biolidics is building the foundation to create growth drivers with potentially transformative diagnostic tools that lead to improved clinical outcomes for cancer patients.

FINANCIAL REVIEW

Revenue

Revenue increased by 13.4% or S$0.17 million, from S$1.27 million in FY2018 to S$1.44 million in FY2019, due mainly to an increase in the sales of our ClearCell® FX1 System and related consumables as a result of an expanded customer base contributed by laboratories that collaborated with the Company to develop cancer diagnostics tests.

Other income

Other income increased by 233.8% or S$0.15 million, from S$0.07 million in FY2018 to S$0.22 million in FY2019, due mainly to interest income on fixed deposits placed with the banks in FY2019.

Changes in Inventories

The fluctuations in the balance of our inventories were due mainly to the timing of purchase and sale of inventories.

Purchases

Our purchases increased by 43.0% or S$0.17 million from S$0.38 million in the financial year ended 31 December 2018 ("**FY2018**") to S$0.55 million in FY2019, due mainly to the increase in purchases made for our ClearCell® FX1 Systems and related consumables in anticipation of higher demand in view of our collaborations with various partner laboratories to develop cancer diagnostics tests.

Employee benefits expense

Employee benefits expense increased by 13.2% or S$0.18 million, from S$1.33 million in FY2018 to S$1.51 million in FY2019. This was mainly due to recognition of FY2019 directors' fee subsequent to the listing of the Company.

Depreciation expense

Depreciation expense increased by 64.1% or S$0.23 million, from S$0.36 million in FY2018 to S$0.59 million in FY2019, due mainly to the adoption of SFRS(I) 16 resulting in recognition of depreciation expense on the right-of-use assets and depreciation charged on plant and equipment purchased during the year.

OPERATIONS & FINANCIAL REVIEW

Amortisation expense

Amortisation expense remained relatively stable at S$0.03 million and S$0.05 million respectively, in FY2018 and FY2019.

Research and development ("R&D") expense

R&D expense increased by 14.9% or S$0.16 million, from S$1.07 million in FY2018 to S$1.23 million in FY2019, due mainly to the increased efforts by the Company to collaborate with partner laboratories to develop cancer diagnostics tests.

Change in fair value of financial liabilities designated as fair value through profit or loss ("FVTPL")

Change in fair value of financial liabilities designated as FVTPL pertains to the fair valuation of convertible loans. These convertible loans were fully converted into ordinary shares in FY2018.

Other expenses

Other expenses decreased by 25.8% or S$0.91 million, from S$3.52 million in FY2018 to S$2.61 million in FY2019. The decrease was due mainly to the following:

(i) a one-off expense in FY2018 pertaining to the professional fees and other miscellaneous expenses incurred pursuant to the IPO of the Company on Catalist amounting to S$1.12 million; and

(ii) a S$0.07 million decrease in intangible assets written off; and

(iii) a S$0.18 million decrease in clinical studies as a result of the completion of a collaboration with Institute of Cancer Research: Royal Cancer Hospital in FY2018.

This was partially offset by a S$0.46 million increase in travel expenses in line with the increase in sales and marketing efforts and increase in activities relating to collaboration with partner laboratories to develop cancer diagnostics tests.

Finance costs

Finance costs in FY2019 pertains to interest from lease liabilities. In FY2018, the finance costs pertain to interest expense accreted on the redeemable convertible preference shares, which were fully converted into ordinary shares in FY2018.

Loss for the year

As a result of the foregoing, loss for the year decreased by 23.1% or S$1.44 million, from S$6.25 million in FY2018 to S$4.81 million in FY2019.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Current assets

The Group's current assets decreased by 41.8% or S$5.54 million, from S$13.26 million as at 31 December 2018 to S$7.72 million as at 31 December 2019, due mainly to cash used in the Company's operating activities and purchase of plant and equipment.

Non-current assets

The Group's non-current assets increased by 105.0% or S$0.97 million, from S$0.93 million as at 31 December 2018 to S$1.90 million as at 31 December 2019, due mainly to an increase in plant and equipment of S$0.39 million and the recognition of S$0.60 million in right-of-use assets following the adoption of SFRS(I) 16.

OPERATIONS & FINANCIAL REVIEW

Current liabilities

The Group's current liabilities decreased by 7.3% or S$0.11 million, from S$1.53 million as at 31 December 2018 to S$1.42 million as at 31 December 2019, due mainly to a decrease in other payables of S$0.42 million as a result the settlement of accrued professional fees and expenses incurred in relation to the IPO. This was partially offset by (i) an increase in trade payables of S$0.21 million due to an increase in purchases of inventories closer to the end of FY2019; and (ii) an increase in lease liabilities of S$0.14 million following the adoption of SFRS(I) 16.

Non-current liabilities

The Group's non-current liabilities increased by 332.7% or S$0.34 million, from S$0.10 million as at 31 December 2018 to S$0.44 million as at 31 December 2019, due mainly to an increase in lease liabilities of S$0.40 million following the adoption of SFRS(I) 16.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Cash outflow before movements in working capital amounted to S$4.10 million in FY2019. Net cash used in working capital amounted to S$0.56 million due mainly to a decrease in other payables of S$0.52 million, a decrease in contract liabilities of S$0.11 million and an increase of inventories of S$0.35 million, and partially offset by interest income of S$0.11 million received, a decrease in trade receivables of S$0.23 million and an increase in trade payables of S$0.21 million. As a result, net cash used in operating activities was S$4.56 million in FY2019.

Net cash used in investing activities for FY2019 amounted to S$0.67 million. This was due mainly to the additions in plant and equipment and intangible assets in FY2019.

Net cash used in financing activities for FY2019 amounted to S$0.26 million. This was due mainly to the repayment of principal portion of the lease liabilities.

As a result, after adjusting for the effect of foreign exchange rate changes, there was a net decrease in cash and cash equivalents from S$11.50 million as at 31 December 2018 to S$6.03 million as at 31 December 2019.

BOARD OF DIRECTORS

Yee Pinh Jeremy

Date of First Appointment: 27 April 2017
Member: Remuneration Committee

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

Past directorships in other listed companies:
Cordlife Group Limited (SGX-ST)
Cordlife Limited (now known as Life Corporation Limited) (ASX)

Jeremy is the Non-Executive Non-Independent Chairman of the Company. He founded Clearbridge Medical Group Pte. Ltd. (formerly known as Insight Medica Pte. Ltd.) in 2016. Since 2017, he has served as the Executive Director and Chief Executive Officer ("**CEO**") of Clearbridge Health Limited ("**Clearbridge**"), a company listed on Catalist, where he is responsible for identifying and implementing company-wide business growth strategies and overseeing all aspects of the group's growth and operating functions.

From 2011 to 2016, Jeremy was the CEO of Cordlife Group Limited, a company listed on the SGX-ST, where he was responsible for identifying and implementing company-wide business growth strategies. From 2002 to 2011, he was the Director of Corporate Development, then Chief Operating Officer and subsequently, Executive Director and Group Chief Financial Officer of Cordlife Limited (now known as Life Corporation Limited), a company listed on the Australian Securities Exchange ("**ASX**"). During his tenure, Jeremy was responsible for the group's overall corporate development activities and financial functions, including statutory filings, accounting audits, finance controls and treasury matters. He spent the early part of his career in the banking and finance industry.

Jeremy obtained his Bachelor of Arts in Economic and Social Studies from the Victoria University of Manchester in 1994, Master of Commerce (Finance with Banking/Management) from the University of Sydney in 1997, Bachelor of Commerce in Professional Accounting from Murdoch University in 2009, Master of Business Administration from the Nanyang Technological University in 2011, Master of Business Administration from the University of Chicago Booth School of Business in 2012 and Master of Arts from Columbia University in 2016. He completed the UC Berkeley – Nanyang Advanced Management Program in 2010 and the EIT Health Advanced Management Programme on Health Innovation in 2018.

BOARD OF DIRECTORS

Chen Johnson

Date of First Appointment: 19 July 2009
Member: Nominating Committee

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

Past directorships in other listed companies: Nil

Johnson is the Non-Executive Non-Independent Director and Founder of the Company. Since 2002, he has been the Executive Director of 1Bridge Partners Limited, where he oversees investment management. He is also the Chairman, Executive Director and CEO of CapBridge Pte. Ltd. ("**CapBridge**"), a global private capital raising platform regulated by the Monetary Authority of Singapore. At Capbridge, he is responsible for overall strategic planning and business execution. From 1999 to 2002, he was the President of CyberWorks Ventures, the venture capital arm of Hong Kong-based information communications technology company Pacific Century Cyberworks.

Johnson sits on the Singapore National Research Foundation Proof-of-Concept grant panel and is a member of the Strategic Research Innovation Fund committee of NTUitive, Nanyang Technological University's innovation and enterprise company. As the top graduate in the Singapore Armed Forces officer cadet course during National Service, he was awarded the Sword of Honour by the President of Singapore.

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

Leong Yow Seng

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

Present and past directorships in other listed companies: Nil

Yow Seng is the Lead Independent Director of the Company. Since 2014, he has been the Group Chief Financial Officer of Minergy Resources Pte. Ltd., where his responsibilities include fund raising, financial reporting, investment analysis and investor communication. He is also currently a Behaviour Therapist at Lazarus Centre Pte. Ltd., an early intervention centre for children with autism.

From 2018 to 2019, Yow Seng was a Project Consultant at Agritrade Logistics Pte. Ltd., a logistics, shipping and commodities trading company, where he acts as a consultant to senior management and leads fund raising projects. From 2012 to 2014, he served as a Director (corporate and client solutions) at CIMB Bank Berhad, where he led a team of relationship managers and managed client relationships with regional small and medium-sized enterprises and multi-national corporations. From 2010 to 2012, he was the Group Chief Investment Officer of EGI Group Limited, where he was responsible for investment, divestment, and business development related activities. He spent the early part of his career in the corporate finance industry.

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

BOARD OF DIRECTORS

Ong Hsien Chih, James (Weng Xianzhi, James)

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

Past directorships in other listed companies: Nil

James is an Independent Director of the Company. He is currently the Chief Investment Officer of YCH Group Pte Ltd ("**YCH Group**"), where he is responsible for mergers and acquisitions, capital structure and negotiation of joint ventures, as well as heading the asset management team. He is also a Partner at Supply Chain Angels Pte. Ltd., the corporate venture arm of YCH Group, which invests in start-ups that are synergistic and complementary to YCH Group's supply chain and logistics business. James joined YCH Group in 2015.

From 2012 to 2015, James was a Senior Manager of IL&FS Global Financial Services Pte. Ltd., an infrastructure development and finance company, where he was responsible for advising on a portfolio of Asian investment and advisory opportunities and provided execution expertise in the areas of corporate finance, equity and debt syndications and project finance. From 2006 to 2011, he served as a Director of Oppenheimer Investments (Singapore) Pte. Ltd., a boutique investment banking company which focuses on advising clients on funding and syndication in the debt capital markets. James spent the early part of his career in the banking and finance industry.

James graduated from the University of Western Australia with a Bachelor of Commerce in 2002 and obtained a Master of Business Administration from the University of Chicago Booth School of Business in 2012. He was also admitted as a Certified Public Accountant in Australia in 2010.

Peter Koh Heng Kang

Date of First Appointment: 20 November 2018
Member: Remuneration Committee

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

Past directorships in other listed companies: Nil

Peter is an Independent Director of the Company. He is currently the Executive Director and CEO of Oceanus Group Limited ("**Oceanus**"), a land-based abalone producer listed on the SGX-ST, where his responsibilities include planning the strategic direction for and development of the group. He diversified and expanded the group's business, and was pivotal in the group's successful debt restructuring exercise completed in December 2017. In recognition, Peter was conferred the 2018 Outstanding CEO Award by Influential Brands and ASEAN Business Awards 2019 in recognition of "SME Excellence (Growth)" by ASEAN Business Advisory Council.

From 2013 to 2016, Peter served as the Executive Director of Opulence Group Pte. Ltd., a private equity firm with investments in countries ranging from Australia to Japan, where he was responsible for the strategic direction and development of the company. From 2013 to 2014, he was appointed Investment Advisor to Ramky Revo Holding JV Co Pte. Ltd. for its overseas investments. In 1988, Peter founded Pete's Creation International (now known as Pete's Creation International (S) Pte. Ltd.), a marketing and branding consultancy business, where he was involved in day to day management as well as business development until his retirement in 2010.

An astute entrepreneur, Peter also actively champions social causes and was conferred the Public Service Medal in 2014. He currently sits on the council of the North West Community Development Council. Within the aquaculture industry, Peter has taken up various positions with aquaculture innovation and research bodies such as a member of the Advisory Board of James Cook University and the Advisory Council of the Singapore Aquaculture Innovation Centre, and Vice Chairman of China Aquatic Products Alliance. His previous appointments include sitting on the Advisory Board of the National Youth Council's National Youth Award, Chairman of Rotary Club of Singapore Vocational that oversees the Rotary-ASME Entrepreneur of the Year Award, Councillor at Central Singapore Community Development Council and Singapore Community Chest Share Committee.

BOARD OF DIRECTORS

Toh Shih Hua

Date of First Appointment: 20 November 2018
Chairman: Audit Committee

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

Past directorships in other listed companies: Nil

Shih Hua is an Independent Director of the Company. In 2004, Shih Hua founded Genesis Capital Pte Ltd, a corporate finance advisory company, where she continues to serve as a Director and oversees deal origination and has completed numerous corporate finance transactions including initial public offerings, mergers and acquisitions, take-overs and fund raisings. In 2016, she founded TNT Global Capital Pte Ltd, a fund management company, where she also serves as a Director. She spent the early part of her career in the banking and finance industry.

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

EXECUTIVE OFFICERS

Leong Man Chun

Interim Chief Executive Officer

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

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

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

Tan Wei Chee

Financial Controller

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

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

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

Wang Qingyin

Chief Operating Officer

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

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Yee Pinh Jeremy
Non-Executive Non-Independent Chairman

Chen Johnson
Non-Executive Non-Independent Director and Founder

Leong Yow Seng
Lead Independent Director

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

Peter Koh Heng Kang
Independent Director

Toh Shih Hua
Independent Director

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

Leong Yow Seng *(Chairman)*
Yee Pinh Jeremy
Peter Koh Heng Kang

COMPANY SECRETARY

Lim Sim Ving
(Associate Member and Practising Chartered Secretary)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

37 Jalan Pemimpin
#02-07 Mapex
Singapore 577177

SPONSOR

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

SHARE REGISTRAR

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

AUDITOR

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

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

INVESTOR RELATIONS

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

CORPORATE GOVERNANCE REPORT

The Board of Biolidics 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.

For FY2019, 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, where applicable, the disclosure guide ("**Disclosure Guide**") issued by the SGX-ST.

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 and the Disclosure Guide. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Disclosure Guide.

BOARD MATTERS

Principle 1 The Board's Conduct of Affairs

Composition of the Board of Directors

The Board comprises:

Yee Pinh Jeremy	Non-Executive Non-Independent Chairman
Lew Kwang Ping*	Executive Director and CEO
Chen Johnson	Non-Executive Non-Independent Director and Founder
Leong Yow Seng	Lead Independent Director
Ong Hsien Chih, James (Weng Xianzhi, James)	Independent Director
Peter Koh Heng Kang	Independent Director
Toh Shih Hua	Independent Director

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

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 Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**") and the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"). This set of principles and guidelines covers aspects such as Board composition and balance, Board diversity, tenure, maximum number of directorships, Board member selection, code of conduct for the avoidance of conflicts of interest, and dealing in the shares of the Company.

CORPORATE GOVERNANCE REPORT

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 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;
- establish a framework of prudent and effective controls, which enables risks to be assessed and managed, including safeguarding of Shareholders' interest and the Company's assets;
- supervise, monitor and review Management's performance against the goals set to enhance Shareholders' value;
- identify the key stakeholders and recognise that their perceptions affect the Company's reputation;
- set the Company's values and standards (including ethical standards), 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 CEO who are in any way, directly or indirectly, interested in transaction or proposed transaction, including those identified within the Code and provisions of the Companies Act will declare the nature of their interests and not participate in any discussion and decision on the matter.

Delegation by the Board

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

Composition of the Board Committees

Board Committee Designation	AC	NC	RC
Chairman	Toh Shih Hua	Ong Hsien Chih, James (Weng Xianzhi, James)	Leong Yow Seng
Members	Leong Yow Seng Ong Hsien Chih, James (Weng Xianzhi, James)	Chen Johnson Leong Yow Seng	Yee Pinh Jeremy Peter Koh Heng Kang

CORPORATE GOVERNANCE REPORT

Board Meetings and Attendance

The attendance of the Directors at the Board and Committee meetings for FY2019 is as follows:

	Board	AC	NC	RC
	Number of meetings held: 4	Number of meetings held: 4	Number of meetings held: 1	Number of meetings held: 1
Name	**Number of meetings attended**	**Number of meetings attended**	**Number of meetings attended**	**Number of meetings attended**
Yee Pinh Jeremy	4	NA	NA	1 (Member)
Lew Kwang Ping	3	NA	NA	NA
Chen Johnson	4	NA	1 (Member)	NA
Leong Yow Seng	4	4 (Member)	1 (Member)	1 (Chairman)
Ong Hsien Chih, James (Weng Xianzhi, James)	4	4 (Member)	1 (Chairman)	NA
Peter Koh Heng Kang	4	NA	NA	1 (Member)
Toh Shih Hua	4	4 (Chairman)	NA	NA

NA – Not Applicable

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

CORPORATE GOVERNANCE REPORT

Material Transactions Requiring Board Approval

The Company has in place policies for the approval of, *inter alia*, 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, amongst 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 threshold; and
- risk management strategies.

Formal Appointment Letter to Each Director

The Company has provided each Director with a formal letter of appointment setting out the Director's duties and obligation.

Board Induction and Training

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

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

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

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

CORPORATE GOVERNANCE REPORT

Access to Information

Management recognises that the flow of complete, adequate and timely information on an ongoing basis to the Board is essential to the Board's effective and efficient discharge of its duties. To allow Directors sufficient time to prepare for the meetings, all scheduled Board and Board committee meeting materials are distributed to Directors at least 5 working days in advance of the meeting. 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 had 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 all times. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Constitution, relevant rules and regulations, including requirements of the Companies Act and the Catalist Rules are complied with.

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

Independent Professional Advice

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

Principle 2 **Board Composition and Guidance**

Independent Directors

Currently, the Board comprises 6 Directors, 4 of whom are independent, which complies with the Code's guideline which requires independent directors to make up a majority of the board where the chairman is not independent.

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

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. This ensures that Directors continually meet the stringent requirements of independence under the Code.

CORPORATE GOVERNANCE REPORT

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

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

Duration of Independent Directors' Tenure

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

Board Diversity

The Board comprises 6 Directors: 2 Non-Executive Non-Independent Directors and 4 Independent Directors, who have the appropriate mix of core competencies and diversity of experience, to direct and lead the Company.

The composition of the Board will be reviewed on an annual basis by the NC to ensure that the Board has the appropriate balance and diversity of skills, experience, gender and knowledge of the Company. The Board should also provide core competencies such as accounting or finance, business or management experience and industry knowledge for effective decision-making.

The Board's objective in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Company. In addition, the Board places emphasis on ensuring gender representation and diversity. At present, the Board has 1 female Director, Ms Toh Shih Hua.

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 Company's operations. The Board believes that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Company. The NC is also of the view that the current Board members comprise persons with a broad range of expertise and experience in diverse areas including accounting, finance, legal, business and management, technology, strategic planning and medical-related business experience.

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

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

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

CORPORATE GOVERNANCE REPORT

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.

Principle 3 Chairman and Chief Executive Officer

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 responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Chairman is not related to the CEO.

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

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

Lead Independent Director

Given that the Chairman is not independent, the Board has appointed Mr Leong Yow Seng as the Lead Independent Director. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating flow of information between Shareholders, the Chairman and the Board.

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

Independent Directors Meetings in Absence of Other Directors

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

CORPORATE GOVERNANCE REPORT

Principle 4 **Board Membership**

Nominating Committee

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

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

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

(a) review and recommend to the Board the appointment of new directors and key management personnel, including re-nominations of existing Directors for re-election in accordance with the Constitution, taking into account the Director's contribution and performance;
(b) review and approve any new employment of persons related to the Directors, CEO or substantial Shareholders and the proposed terms of their employment;
(c) determine on an annual basis whether or not a Director is independent;
(d) review and decide whether or not a Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
(e) review the training and professional development programs for the Board;
(f) review the succession plans for the Directors;
(g) review the Directors' mix of skills, experience, core competencies and knowledge of the Company that the Board requires to function competently and efficiently;
(h) 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;
(i) develop a process 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
(j) such other responsibilities as may be required by statute and/or the Catalist Rules and/or as recommended by the Code, and by such amendments made thereto from time to time.

Board Representations

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

The Board has deliberated and set the maximum number of listed company board representations which any Director may hold to be 5. This is to ensure the Directors have sufficient time and attention to adequately perform their role.

Board Nomination Process

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

Process for the selection and appointment of new Directors:

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

Process for the re-election of incumbent Directors:

1.	Assessment of Director	• The NC will assess the performance of the Director in accordance with the performance criteria set by the Board. • The NC will also consider the current needs of the Board.
2.	Re-appointment of Director	• Subject to the NC's satisfactory assessment, the NC will recommend the proposed re-appointment of the Director to the Board for consideration and approval.

CORPORATE GOVERNANCE REPORT

The Constitution requires that at least one-third of the Board (or, if their number is not a multiple of 3, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting ("**AGM**"). A retiring Director is eligible for re-election at the AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years.

The NC has reviewed and recommended the re-nomination and re-election of Mr Yee Pinh Jeremy and Mr Leong Yow Seng who will be retiring as Directors at the forthcoming AGM.

Mr Yee Pinh Jeremy and Mr Leong Yow Seng will be retiring pursuant to Regulation 97 of the Constitution. Both of them have offered themselves for re-election. The Board has accepted the recommendations of the NC.

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

Continuous Review of Director's Independence

The Independent Directors have declared their independence for FY2019 in accordance with the Code. Following its annual review, the NC has considered Mr Leong Yow Seng, Ms Toh Shih Hua, Mr Peter Koh Heng Kang and Mr Ong Hsien Chih, James (Weng Xianzhi, James) to be independent.

For FY2019, 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 FY2019, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group and is of the opinion that the Directors are able to and were been adequately carrying out his or her duties as a Director, notwithstanding that some of the Directors have multiple board representations. None of the Directors had appointed an alternate director in FY2019.

Directors' Key Information

Key information regarding the Directors such as their date of first appointment and directorships held presently and in the past 3 preceding years in other listed companies are set out on pages 11 to 14 of this annual report.

CORPORATE GOVERNANCE REPORT

Principle 5 **Board Performance**

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, *inter alia*, 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 NC chairman in the form of a report;
3. each Director will send the duly completed confidential individual Director self-assessment checklist to the NC chairman for review; and
4. the NC will discuss the report and the NC chairman 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, *inter alia*, Director's attendance, commitment of time, candour, participation, knowledge and ability, teamwork, and overall effectiveness.

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

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, is of the view that the performance of the Board has been satisfactory in FY2019 and that the Board has met its performance objectives in FY2019. The evaluation process of the overall performance of the Board was conducted without an external facilitator in FY2019.

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

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Principle 6 **Procedures for Developing Remuneration Policies**

Remuneration Committee

The RC comprises 3 members, a majority of whom including the Chairman are Independent Directors:

Leong Yow Seng	Chairman
Yee Pinh Jeremy	Member
Peter Koh Heng Kang	Member

All members of the RC are Non-Executive Directors.

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

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and benefits-in-kind, will be covered by the RC. The RC will also review annually the remuneration of employees related to the Directors and substantial Shareholders 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. The RC will also review and approve any bonuses, pay increases and/or promotions for these employees. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.

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 Executive Director 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 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; and
(f) to seek expert advice from external consultants on remuneration matters, if necessary.

Remuneration Consultant

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management, so that the Company remains competitive in this regard. For FY2019, the Company engaged Aon Consulting (Singapore) Pte Ltd as its external remuneration consultant.

CORPORATE GOVERNANCE REPORT

Principle 7 **Level and Mix of Remuneration**

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 Executive Director and key management personnel are appropriate in linking rewards with performance and that is aligned with the interests of Shareholders and promote the long-term success of the Company. The remuneration of the Directors is also reviewed by the RC to ensure that the remuneration is commensurate with the contribution and responsibilities of the Directors. It ensures that remuneration package is appropriate to attract, retain and motivate the Directors and key management personnel to provide good stewardship of the Company and successfully manage the Company for the long term.

Each Non-Executive Director receives a Director's fee which takes into account factors such as effort and 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.

Eligible participants (the "**Participants**") under the Plan will have the opportunity to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity and promoting organisational commitment, dedication and loyalty of Participants towards the Company, as well as motivating Participants to strive towards performance excellence and to maintain a high level of contribution to the Company. The Plan also affords the Company greater flexibility in structuring compensation packages so that the Company is able to make employee remuneration sufficiently competitive to recruit new employees and/or to retain existing employees whose contributions are important to the long-term growth and profitability of the Company.

The Plan is administered by the RC.

The RC may decide the eligibility of Participants, the number of shares to be granted (the "**Awards**") to the Participants and the vesting period as the RC may determine, in its absolute discretion, taking into account factors including the Company'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.

CORPORATE GOVERNANCE REPORT

Principle 8 **Disclosure on Remuneration**

Directors' Remuneration

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

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

The breakdown of the total remuneration of the Directors for FY2019 is as follows:

Name of Director	Salary (%)	Benefits (%)	Bonus (%)	Directors' fee (%)	Total (%)
Below S$250,000					
Yee Pinh Jeremy	–	–	–	–	–
Lew Kwang Ping*	100	–	–	–	100
Chen Johnson	–	–	–	–	–
Leong Yow Seng	–	–	–	100	100
Ong Hsien Chih, James (Weng Xianzhi, James)	–	–	–	100	100
Peter Koh Heng Kang	–	–	–	100	100
Toh Shih Hua	–	–	–	100	100

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

No compensation was paid in the form of share awards to the Directors in FY2019. There was no termination, retirement or post-employment benefits granted to the Directors in FY2019.

Key Management Personnel's Remuneration

The breakdown of the total remuneration of the Group's key management personnel (who are not Directors or the CEO) for FY2019 is as follows:

Name of Key Management	Salary %	Benefits %	Shares %	Bonus %	Total %
Below S$250,000					
Huang Junquan(1)	100	–	–	–	100
Tan Wei Chee	100	–	–	–	100
Wang Qingyin(2)	100	–	–	–	100
Leong Man Chun(3)	100	–	–	–	100

(1) *Huang Junquan resigned as COO on 19 July 2019.*

(2) *Wang Qingyin was appointed as COO on 1 August 2019.*

(3) *Leong Man Chun was appointed as Chief Commercial Officer on 1 September 2019, and redesignated as Interim CEO on 23 March 2020.*

CORPORATE GOVERNANCE REPORT

No compensation was paid in the form of share awards to the key management personnel of the Group in FY2019. There were no termination, retirement or post-employment benefits granted to the Group's key management personnel in FY2019.

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

The annual aggregate remuneration paid to the key management personnel of the Group (excluding the CEO) for FY2019 was approximately S$356,000.

Employees who are Substantial Shareholder 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 FY2019.

Performance Criteria for Remuneration

The remuneration received by the Executive Director and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Company. 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 Executive Director and key management personnel includes, among others, the profitability of the Company, leadership skills, as well as the Executive Director's and 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. As at the date of this annual report, no Awards have been granted under the Plan.

ACCOUNTABILITY AND AUDIT

Principle 9 **Risk Management and Internal Controls**

Risk Management and Internal Controls

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 cognizant, 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.

CORPORATE GOVERNANCE REPORT

Adequacy and Effectiveness of Internal Controls

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

The Board has obtained the following assurance from the COO and FC in respect of FY2019:

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

Based on the internal controls policies and procedures established and maintained by the Group, work performed by the internal auditors and the external auditors, assurance from the COO and the FC, as well as reviews performed by the AC and the Management, the Board confirms that the Group's internal controls (including financial, operational, compliance, and information technology controls) and risk management systems were adequate and effective for FY2019. The AC concurs with the Board's comments.

The Board notes that the internal controls and risk management systems established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledge 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 AC comprises 3 members, all of whom, are Independent Directors:

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

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

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

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

CORPORATE GOVERNANCE REPORT

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, their evaluation of the system of internal accounting controls, their 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 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;
(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 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, 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;
(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;
(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; and
(q) monitor the implementation of a policy and procedures for sustainability reporting.

CORPORATE GOVERNANCE REPORT

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 Company's results of operations or financial position.

Qualifications of AC

The Board is of the view that the AC chairman and 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.

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

Authority of AC

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

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

Internal Audit

The AC reviews and approves the internal audit plan on an annual basis to ensure the adequacy of the scope of audit. The AC also ensures that the internal audit function is adequately resourced and has appropriate standing within the Company.

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

The Group's internal audit function is outsourced to KPMG and they report directly to the AC chairman and administratively to the CEO and FC. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

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

CORPORATE GOVERNANCE REPORT

KPMG is a member of the Institute of Internal Auditors ("**IIA**") and has adopted the Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. KPMG is staffed by professionals with relevant qualifications and experience. KPMG has confirmed their independence to the AC and the Board. With reference to the above, the AC is satisfied that KPMG is able to discharge its duties effectively.

Based on the scope of work performed by the internal auditors for FY2019, there were no material weaknesses identified.

Meeting between AC and Auditors

The AC met with the internal auditors and the external auditors in the absence of Management in FY2019.

Independence of External Auditors

There were no non-audit fees paid to the external auditors for FY2019.

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

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

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

Whistle-blowing Policy

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

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

There was no whistle-blowing report received during FY2019.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

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

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

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

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

Dividend Policy

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

No dividend was declared by the Company for FY2019 as the Company is not profitable.

Conduct of Shareholder Meetings

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

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

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

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.

CORPORATE GOVERNANCE REPORT

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.

Directors (including the respective chairmen 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.

The Company will prepare the detailed shareholders' meeting minutes, which include comments and the questions received from Shareholders and responses from the Board and the Management. These minutes are made available to Shareholders on the Company's corporate website at www.biolidics.com as soon as practicable.

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

Principle 12 **Engagement with Shareholders**

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, https://www.biolidics.com. The website is also updated regularly and contains various other investor-related information on the Group which serves as an important resource for investors.

As and when necessary, the Executive Director and the key management personnel will meet analyst 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.

CORPORATE GOVERNANCE REPORT

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 secure the long term future of the Group. The Group's 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 www.biolidics.com to communicate and engage stakeholders.

The Company recognises the importance of sustainability and will be implementing the appropriate policies and programs. The Company will publish its first sustainability report for FY2019 by December 2020.

Material Contracts

The Company had entered into a service agreement (the "**Service Agreement**") with the Executive Director and CEO, Mr Lew Kwang Ping, for an initial period of 3 years (the "**Initial Term**") and renewable automatically on a yearly basis thereafter, unless otherwise agreed. The Company is entitled to recover from the Executive Director and CEO all or part of any annual wage supplement, annual performance bonus and shares paid to the Executive Director and CEO under the Service Agreement in the event that there is a restatement of the financial statements of the Company made to reflect the correction of a misstatement due to error or fraud during the financial year and the preceding year of the Company, or misconduct of the Executive Director and CEO resulting in financial loss to the Company. Mr Lew resigned as the Executive Director and CEO on 22 January 2020.

Save for the Service Agreement, there were no material contracts of the Company involving the interests of the CEO, any Director or controlling Shareholder which are either still subsisting at the end of FY2019 or, if not then subsisting, entered into since the end of FY2018.

Interested Persons Transaction ("IPT")

The aggregate value of all interested person transactions during FY2018 and FY2019 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules) (the "**Aggregate Value**") is as follows:

	Aggregate Value	
Name of Interested Person	**FY2019 (S$'000)**	**FY2018 (S$'000)**
Hybrionic Pte Ltd(1) – Purchases of products	149	126
Clearbridge Health Limited(2) – Secondment of staff	159	13

(1) Mr Chen Chung Ni Johnny, the father of the Non-Executive Non-Independent Director, Mr Chen Johnson, is a director of, and holds an equity interest of approximately 87.7%, in Hybrionic Pte Ltd. Mr Chen Johnson is also a director of Hybrionic Pte Ltd.

(2) Clearbridge Health Limited is a controlling Shareholder.

The Group does not have a general mandate for IPT.

CORPORATE GOVERNANCE REPORT

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, abstain from decision making, and refrain from exercising any influence over other members of the Board.

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

Dealing in Securities

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

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

Non-sponsor Fees

Save for the fees in relation to the IPO, no non-sponsor fees were paid to the Company's sponsor, United Overseas Bank Limited, for FY2019.

Use of IPO Proceeds

The Company received net proceeds from the IPO of approximately S$6.1 million.

The net proceeds have been utilised as follows:

	Amount allocated (as disclosed in the offer document) (S$'000)	**Amount utilised as at the date of this annual report (S$'000)**	**Balance (S$'000)**
Expand our clinical services applications and clinical services customer segment	2,700	(2,055)	645
Advance our pipeline products	2,400	(361)	2,039
General corporate and working capital purposes[1]	1,000	(1,000)	–
Total	6,100	(3,416)	2,684

Note:

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

CORPORATE GOVERNANCE REPORT

Use of Placement Shares Proceeds

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

The proceeds have not been utilised as of the date of this report as follows:

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

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 2019.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance and changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

2. Directors

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

Chen Johnson
Yee Pinh Jeremy
Leong Yow Seng
Ong Hsien Chih, James (Weng Xianzhi, James)
Peter Koh Heng Kang
Toh Shih Hua

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist 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, except for the options mentioned in paragraph 5 of the Directors' statement.

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

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

	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
Name of director	**At beginning of year or date of appointment, if later**	**At end of year**	**At beginning of year or date of appointment, if later**	**At end of year**
The Company				
(Ordinary shares)				
Chen Johnson	2,748,300	2,748,300	60,135,400	60,135,400
Ong Hsien Chih, James (Weng Xianzhi, James)	52,200	52,200	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2020.

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

5. Share options

On 20 November 2018, the Company's shareholders approved the Biolidics Performance Share Plan (the "Plan") that gives the rights to grant awards in the form of shares to full time employees of the Group or Group Directors at the absolute discretion of the Remuneration Committee (the "RC"). The RC, comprising three directors, Mr. Leong Yow Seng, Mr. Yee Pinh Jeremy and Mr. Peter Koh Heng Kang is responsible for administering the Plan. Since the commencement of the Plan till the end of the financial year, no awards have been granted to any employees or directors.

6. Audit committee

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

DIRECTORS' STATEMENT

7. Auditor

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

On behalf of the Board of Directors,

Yee Pinh Jeremy
Director

Leong Yow Seng
Director

Singapore
27 March 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIOLIDICS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Biolidics Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2019, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIOLIDICS LIMITED

Key audit matters (Continued)

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

As at 31 December 2019, the carrying amounts of the Group's plant and equipment, right-of-use assets and intangible assets amounted to approximately $735,000, $602,000 and $567,000 respectively.

The Group recorded net loss of $4,810,000. Management has assessed that there exists an indication that the long-lived assets may be impaired. Accordingly, management has carried out an impairment test by estimating the recoverable value in accordance with SFRS(I) 1-36 *Impairment of Assets*. Recoverable value is computed based on fair value less costs of disposal. As disclosed in Note 3.1 to the financial statements, management has determined that the Group currently operates a single business and its long-lived assets do not individually generate cash inflows largely independent of other assets, and therefore considers the Group as a single cash generating unit ("CGU"). As judgement was exercised in the impairment process, for areas relating to identification of CGU and valuation approach used, we have considered this matter to be a key audit matter.

As part of our audit procedures, amongst others, we assessed management's bases for considering the Group as a single CGU. We reviewed management's computation in deriving the recoverable amount of the CGU based on the fair value less costs of disposal approach by reference to market capitalization of the Company. We reviewed management's assessment of trading volume and free float of the Company's shares to establish that there is an active market. We have also reviewed management's computation of comparing the recoverable amount against the carrying amount of the CGU to determine if an impairment loss is required.

We have also reviewed the adequacy of the disclosures included in Notes 3, 11, 12 and 21 to the financial statements.

Other matters

The financial statements for the year ended 31 December 2018 were audited by another auditor whose report dated 4 April 2019 expresses an unmodified opinion on those financial statements.

Other information

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIOLIDICS LIMITED

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIOLIDICS LIMITED

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other legal and regulatory requirements

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

27 March 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Revenue	4	**1,438,080**	1,267,906
Other income	5	**216,638**	64,767
Changes in inventories		**73,386**	(6,545)
Purchases		**(545,338)**	(381,234)
Employee benefits expense	8	**(1,505,541)**	(1,330,376)
Depreciation expense	11, 21	**(594,220)**	(361,757)
Amortisation expense	12	**(45,523)**	(29,257)
Research and development expense	8	**(1,231,330)**	(1,072,043)
Change in fair value of financial liabilities designated as FVTPL		**–**	(312,354)
Other expenses	6	**(2,609,483)**	(3,514,976)
Finance costs	7	**(6,349)**	(575,668)
Loss before tax	8	**(4,809,680)**	(6,251,537)
Income tax expense	9	**–**	–
Loss for the year		**(4,809,680)**	(6,251,537)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss			
Effect of translation of foreign operations		**17,296**	2,645
Reclassification of foreign currency translation reserve upon dissolution of subsidiaries		**–**	(12,471)
Other comprehensive income/(loss) for the year, net of tax		**17,296**	(9,826)
Total comprehensive loss for the year		**(4,792,384)**	(6,261,363)
Loss per share (cents per share)			
– Basic and diluted	10	**(1.98)**	(4.95)

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

BALANCE SHEETS

AS AT 31 DECEMBER 2019

	Note	Group 2019[2] $	Group 2018[1] $	Company 2019 $	Company 2018 $
ASSETS					
Non-current assets					
Plant and equipment	11	**734,873**	351,020	**734,873**	351,020
Right-of-use assets	21	**601,950**	–	**601,950**	–
Intangible assets	12	**566,765**	577,799	**566,765**	577,799
Investment in subsidiaries	13	**–**	–	**1,463,252**	–
		1,903,588	928,819	**3,366,840**	928,819
Current assets					
Cash and cash equivalents	14	**6,029,642**	11,499,177	**4,603,216**	11,499,177
Trade receivables	15	**223,923**	454,605	**224,517**	454,605
Prepayments		**389,403**	316,912	**340,548**	316,912
Other receivables	16	**171,583**	215,728	**177,238**	215,728
Inventories	17	**903,613**	776,647	**903,331**	776,647
		7,718,164	13,263,069	**6,248,850**	13,263,069
Total assets		**9,621,752**	14,191,888	**9,615,690**	14,191,888
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	18	**522,916**	308,316	**522,916**	308,316
Other payables	19	**614,592**	1,035,960	**613,174**	1,035,960
Contract liabilities	20	**141,933**	188,409	**141,933**	188,409
Lease liabilities	21	**139,659**	–	**139,659**	–
		1,419,100	1,532,685	**1,417,682**	1,532,685
Net current assets		**6,299,064**	11,730,384	**4,831,168**	11,730,384
Non-current liabilities					
Contract liabilities	20	**34,880**	100,816	**34,880**	100,816
Lease liabilities	21	**396,969**	–	**396,969**	–
Provision for reinstatement cost		**4,800**	–	**4,800**	–
		436,649	100,816	**436,649**	100,816
Total liabilities		**1,855,749**	1,633,501	**1,854,331**	1,633,501
Net assets		**7,766,003**	12,558,387	**7,761,359**	12,558,387
Equity attributable to owners of the Company					
Share capital	22	**53,798,878**	53,798,878	**53,798,878**	53,798,878
Foreign currency translation reserve		**17,296**	–	**–**	–
Accumulated losses		**(46,050,171)**	(41,240,491)	**(46,037,519)**	(41,240,491)
Total equity		**7,766,003**	12,558,387	**7,761,359**	12,558,387
Total equity and liabilities		**9,621,752**	14,191,888	**9,615,690**	14,191,888

(1) In 2018, the Group dissolved all of its subsidiaries, as a result, the balance sheet of the Group is identical to the balance sheet of the Company as at 31 December 2018 due to the deconsolidation of the subsidiaries.

(2) In 2019, the Company incorporated two wholly-owned subsidiaries, Biolidics (Shanghai) Co., Ltd. and Biolidics Pty Ltd respectively, and as a result, the balance sheet of the Group as at 31 December 2019 comprises the Company and its two wholly-owned subsidiaries.

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 2019

2019 Group	Share capital $	Foreign currency translation reserve $	Accumulated losses[1] $	Total $
Balance as at 1 January 2019	**53,798,878**	**–**	**(41,240,491)**	**12,558,387**
Loss for the year	**–**	**–**	**(4,809,680)**	**(4,809,680)**
Other comprehensive income:				
Effect of translation of foreign operations	**–**	**17,296**	**–**	**17,296**
Other comprehensive income for the year, net of tax	**–**	**17,296**	**–**	**17,296**
Total comprehensive income/(loss) for the year	**–**	**17,296**	**(4,809,680)**	**(4,792,384)**
Balance as at 31 December 2019	**53,798,878**	**17,296**	**(46,050,171)**	**7,766,003**

2018 Group	Note	Share capital $	Foreign currency translation reserve $	Share option reserve $	Accumulated losses[1] $	Total $
Balance as at 1 January 2018		10,244,066	9,826	997,608	(35,098,035)	(23,846,535)
Loss for the year		–	–	–	(6,251,537)	(6,251,537)
Other comprehensive income/(loss):						
Effect of translation of foreign operations		–	2,645	–	–	2,645
Reclassification of foreign currency translation reserve upon dissolution of subsidiaries		–	(12,471)	–	–	(12,471)
Other comprehensive loss for the year, net of tax		–	(9,826)	–	–	(9,826)
Total comprehensive loss for the year		–	(9,826)	–	(6,251,537)	(6,261,363)
Transactions with owners, recognised directly in equity						
Repurchase of vested share options		–	–	(6,869)	–	(6,869)
Reclassification due to termination of Employee Share Option Scheme ("ESOS")		–	–	(109,081)	109,081	–
Issuance of shares pursuant to the Pre-Initial Public Offering exercise ("Pre-IPO") and Recapitalisation Exercise	22	36,320,327	–	(881,658)	–	35,438,669
Issuance of ordinary shares pursuant to the IPO	22	7,700,000	–	–	–	7,700,000
Share issuance expenses	22	(465,515)	–	–	–	(465,515)
Total transactions with owners, recognised directly in equity		43,554,812	–	(997,608)	109,081	42,666,285
Balance as at 31 December 2018		53,798,878	–	–	(41,240,491)	12,558,387

(1) Included in the accumulated losses is an amount of $109,081 related to the ESOS that was terminated in 2018.

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 2019

2019 Company	Share capital $	Accumulated losses[1] $	Total $
Balance as at 1 January 2019	**53,798,878**	**(41,240,491)**	**12,558,387**
Loss for the year, representing total comprehensive loss for the year	**–**	**(4,797,028)**	**(4,797,028)**
Balance as at 31 December 2019	**53,798,878**	**(46,037,519)**	**7,761,359**

2018 Company	Note	Share capital $	Share option reserve $	Accumulated losses[1] $	Total $
Balance as at 1 January 2018		10,244,066	997,608	(34,452,948)	(23,211,274)
Loss for the year, representing total comprehensive loss for the year		–	–	(6,896,624)	(6,896,624)
Transactions with owners, recognised directly in equity					
Repurchase of vested share options		–	(6,869)	–	(6,869)
Reclassification due to termination of ESOS		–	(109,081)	109,081	–
Issuance of shares pursuant to the Pre-IPO and Recapitalisation Exercise	22	36,320,327	(881,658)	–	35,438,669
Issuance of ordinary shares pursuant to the IPO	22	7,700,000	–	–	7,700,000
Share issuance expenses	22	(465,515)	–	–	(465,515)
Total transactions with owners, recognised directly in equity		43,554,812	(997,608)	109,081	42,666,285
Balance as at 31 December 2018		53,798,878	–	(41,240,491)	12,558,387

(1) Included in the accumulated losses is an amount of $109,081 related to the ESOS that was terminated in 2018.

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Loss before tax		**(4,809,680)**	(6,251,537)
Adjustments for:			
Expenses relating to short-term leases		**10,810**	–
Gain on dissolution of investment in subsidiaries	5	**–**	(12,471)
Amortisation of intangible assets	12	**45,523**	29,257
Depreciation of plant and equipment	11	**317,415**	361,757
Depreciation of right-of-use assets	21	**276,805**	–
Plant and equipment written off	11	**35,128**	27,996
Allowance for inventories obsolescence	17	**–**	1,156
Inventories written down	17	**52,141**	34,525
Intangible assets written off	12	**89,941**	161,873
Bad debts written off	6	**2,398**	–
Gain on disposal of plant and equipment	5	**(15,000)**	–
Interest expense on lease liabilities	7	**6,349**	–
Interest income from fixed deposits	5	**(114,251)**	–
Provision for reinstatement cost		**4,800**	–
Change in fair value of financial liabilities designated as FVTPL		**–**	312,354
Accretion of interest expense on redeemable convertible preference shares	7	**–**	575,668
Operating cash flows before changes in working capital		**(4,097,621)**	(4,759,422)
Changes in working capital:			
Decrease/(increase) in trade receivables		**228,284**	(165,095)
Increase in prepayments		**(72,491)**	(77,869)
Decrease/(increase) in other receivables		**48,469**	(93,748)
Increase in inventories (Note A)		**(353,802)**	(15,822)
Increase/(decrease) in trade payables		**214,600**	(505,062)
(Decrease)/increase in other payables		**(516,136)**	650,970
(Decrease)/increase in contract liabilities		**(112,411)**	278,183
Cash flows used in operations		**(4,661,108)**	(4,687,865)
Interest received		**109,927**	–
Interest paid		**(6,215)**	–
Net cash used in operating activities		**(4,557,396)**	(4,687,865)

CONSOLIDATED
CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Cash flows from investing activities			
Additions to plant and equipment (Note A)	11	**(561,702)**	(55,966)
Additions to intangible assets	12	**(124,430)**	(150,416)
Proceeds from disposal of plant and equipment		**15,000**	1,002
Net cash used in investing activities		**(671,132)**	(205,380)
Cash flows from financing activities			
Proceeds from Pre-IPO and Recapitalisation Exercise	22	**–**	6,839,044
Proceeds from issuance of shares during IPO	22	**–**	7,700,000
Listing expenses capitalised against share capital	22	**–**	(465,515)
Repurchase of vested employee share options		**–**	(6,869)
Cash paid on settlement of convertible loans		**–**	(131,419)
Payment of principal portion of lease liabilities		**(258,303)**	–
Net cash (used in)/generated from financing activities		**(258,303)**	13,935,241
Net (decrease)/increase in cash and cash equivalents		**(5,486,831)**	9,041,996
Effect of exchange rate changes on cash and cash equivalents		**17,296**	2,645
Cash and cash equivalents at 1 January		**11,499,177**	2,454,536
Cash and cash equivalents at 31 December		**6,029,642**	11,499,177

Note A:

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

	2019 $	2018 $
Transfer of inventories to plant and equipment	**183,429**	188,017
Transfer of plant and equipment to inventories	**8,735**	5,463

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 2019

1. CORPORATE INFORMATION

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

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

The principal activity of the Company is that of a research, experimental development and marketing on biotechnology, life and medical science and electronics related industrial design services. The principal activities of the subsidiaries are disclosed in Note 13 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 2019 were authorised for issue by the Board of Directors on 27 March 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Adoption of new and amended standards and interpretations

The Group applied SFRS(I) 16 Leases with effect from 1 January 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations are effective in 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

<u>SFRS(I) 16 *Leases*</u>

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining Whether an Arrangement Contains a Lease*, SFRS(I) INT 1-15 *Operating Leases-Incentives* and SFRS(I) 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

SFRS(I) 16 *Leases* (Continued)

The effect of adoption of SFRS(I) 16 as at 1 January 2019 is as follows:

	$ Increase
Assets	
Right-of-use assets	214,949
Total assets	214,949
Liabilities	
Lease liabilities	214,949
Total liabilities	214,949

The Group has lease contracts for office premise, laboratory space and equipment. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.17 to the financial statements for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of the initial application.

The Group also applied the available practical expedients wherein it:

– Relied on its assessment of whether leases are onerous immediately before the date of initial application

– Applied the short-term leases exemptions to lease term that ends within 12 months of the date of initial application

– Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

– Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

SFRS(I) 16 *Leases* (Continued)

Leases previously accounted for as operating leases (Continued)

Based on the above, as at 1 January 2019:

– Right-of-use assets of $214,949 were recognised and presented separately in the balance sheet for its leases previously classified as operating leases.

– Lease liabilities of $214,949 were recognised.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	$
Assets	
Operating lease commitments as at 31 December 2018	214,971
Less:	
Adjustment	(22)
Lease liabilities as at 1 January 2019	214,949

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective as at 31 December 2019.

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined
SFRS(I) 17 *Insurance Contracts*	1 January 2021
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to SFRS(I) 3 *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*	1 January 2020

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation

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

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

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

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

2.5 Foreign currency

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

(a) Transactions and balances

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

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

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

(b) Consolidated financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Plant and equipment

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

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

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

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

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

2.7 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

Patent rights	–	10 years
Trademarks	–	10 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets (Continued)

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

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

2.8 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

2.9 Subsidiaries

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Derecognition

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

(b) Financial liabilities

Initial recognition and measurement

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

(b) Financial liabilities (Continued)

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

Subsequent measurement

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

Derecognition

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

2.11 Impairment of financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Cash and cash equivalents

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

2.13 Inventories

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

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

2.14 Provisions

(a) General

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

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

(b) Warranty provisions

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

2.15 Government grants

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

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

2.17 Leases

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

As lessee

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

(a) Right-of-use assets

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

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

Office premise and laboratory space	–	1 to 3 years
Office and laboratory equipment	–	3 years

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases (Continued)

As lessee (Continued)

(b) Lease liabilities

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

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

(c) Short-term leases and leases of low-value assets

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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low- value assets are recognised as expense on a straight-line basis over the lease term.

2.18 Revenue recognition

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

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

(a) Sale of devices

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (Continued)

(a) Sale of devices (Continued)

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

(b) Sale of consumables

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

(c) Sale of extended warranty services

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

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

2.19 Taxes

(a) Current income tax

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Taxes (Continued)

(b) Deferred tax

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

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

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

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

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

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

– In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Taxes (Continued)

(c) Sales tax

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

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

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

2.20 Share capital and share issuance expenses

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

2.21 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

3.1 Judgements made in applying accounting policies

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

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

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

Management determined that it is appropriate to consider the Group as a single CGU, having considered the products and services being sold by the Group and the inter-dependency of the cashflows arising from the products and services provided.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

Based on the review carried out by the Group, management determines that there are indicators of impairment for the Group's plant and equipment, right-of-use assets and intangible assets. The Group determines the recoverable amount by estimating the fair value less costs of disposal of the CGU. Refer to Note 3.1 to the financial statements for information on the identification of the Group's CGU. The impairment assessment considered the recoverable amount of the CGU estimated based on the market capitalisation of the Group, by reference to the Company's share price traded at Singapore Exchange Securities Trading Limited. The Group's estimated recoverable amount is in excess of the carrying amount of the Group's net assets. Accordingly, the Group concluded that no impairment is required to be recognised as at 31 December 2019. The carrying amounts of plant and equipment, right-of-use assets and intangible assets at the end of the reporting period is disclosed in Notes 11, 21, and 12 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 27 to the financial statements).

(a) Disaggregation of revenue

	Group	
	2019	**2018**
	$	**$**
Sale of devices and consumables	**1,363,068**	1,205,199
Sale of extended warranty services	**75,012**	62,707
	1,438,080	1,267,906
Timing of transfer of goods or services		
At point in time	**1,363,068**	1,205,199
Over time	**75,012**	62,707
	1,438,080	1,267,906

(b) Contract liabilities

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

	Group	
	2019	**2018**
	$	**$**
Contract liabilities	**176,183**	289,225

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

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

The Group expects to recognise $141,933 (2018: $188,409) as revenue relating to the transaction price allocated to the unsatisfied performance obligations as at year-end in the financial year 2020 (2018: 2019) and $34,880 (2018: $100,816) in the financial year 2021 (2018: 2020 to 2021)

Refer to Note 20 to the financial statements for further information on contract liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

5. OTHER INCOME

	Group	
	2019	2018
	$	$
Government grants	**69,735**	49,102
Interest income from fixed deposits	**114,251**	–
Gain on disposal of equipment	**15,000**	–
Gain on dissolution of investment in subsidiaries	**–**	12,471
Others	**17,652**	3,194
	216,638	64,767

6. OTHER EXPENSES

	Group	
	2019	2018
	$	$
Plant and equipment written off	**35,128**	27,996
Intangible assets written off	**89,941**	161,873
Bad debts written off	**2,398**	–
Provision for unconsumed leave	**–**	30,411
Rental expenses	**10,810**	220,433
Travelling expenses	**700,562**	240,956
Professional fees	**868,902**	899,901
Sales and marketing expenses	**171,956**	130,929
Clinical studies	**1,251**	180,712
Foreign exchange loss, net	**13,095**	45,331
Listing expenses	**–**	1,121,767
Insurance	**59,781**	50,799
Subscriptions	**59,709**	67,366
Repairs and maintenance	**80,118**	56,393
Staff training	**264,942**	40,138
Delivery charges	**77,761**	49,056
Others	**173,129**	190,915
	2,609,483	3,514,976

7. FINANCE COSTS

	Group	
	2019	2018
	$	$
Accretion of interest expense on redeemable convertible preference shares	**–**	575,668
Interest expense on lease liabilities	**6,349**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

8. LOSS BEFORE TAX

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

	Group 2019 $	Group 2018 $
Employees benefits expense (including directors' remuneration)		
Salaries and bonuses	**1,387,347**	1,225,559
Employer's contribution to defined contribution plans	**118,194**	95,652
Others	**–**	9,165
	1,505,541	1,330,376
Director's remuneration of the Company	**352,000**	91,239
Audit fees		
– paid to auditors of the Group	**80,000**	80,000
Non-audit fees		
– paid to auditors of the Group[1]	**–**	157,800
Aggregate amount of fees paid to auditors	**80,000**	237,800
Listing expenses[1]	**–**	1,121,767

(1) In 2018, this amount included non-audit fee of $150,000 paid to auditors of the Company in connection with the Company's IPO.

Research and development expense

Research and development expense mainly relates to those incurred for product development, research collaboration and testing purposes.

9. INCOME TAX EXPENSE

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2019 and 2018 is as follows:

	Group 2019 $	Group 2018 $
Loss before tax	**(4,809,680)**	(6,251,537)
Tax at the domestic rate of 17% (2018: 17%)	**(817,646)**	(1,062,761)
Effect of expenses that are not deductible in determining taxable profit	**121,253**	237,019
Effects of tax losses for which no deferred tax asset was recognised	**696,393**	825,742
	–	–

As at 31 December 2019, the Group has unutilised tax losses and unabsorbed capital allowances amounting to approximately $41,253,000 (2018: $37,815,000) and $285,000 (2018: $121,000) respectively that are available for offset against future taxable profits of the respective companies in which the temporary differences arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The 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 operates. These capital allowances and tax losses have no expiry date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

10. LOSS PER SHARE

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

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

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

	Group	
	2019	**2018**
	$	**$**
Loss for the year, net of tax, attributable to owners of the Company used in the computations of basic and diluted loss per share	**(4,809,680)**	(6,251,537)
Weighted average number of shares for basic and diluted loss per share computation	**242,500,000**	126,170,982[1]
Basic and diluted loss per share (cents)	**(1.98)**	(4.95)

(1) Pursuant to a written resolution dated 3 December 2018, the shareholders of the Company approved the sub-division of 1,268,678 ordinary shares into 215,000,000 ordinary shares (the "Share Split"). Accordingly, the number of outstanding shares is adjusted for the Share Split assuming it had occurred on 1 January 2018, for the purpose of the loss per share computation.

11. PLANT AND EQUIPMENT

Group and Company	Computer and office equipment $	Laboratory equipment $	Testing and trial equipment $	Production, tooling and mould equipment $	Renovation and furniture and fittings $	Total $
Cost:						
At 1 January 2018	84,745	308,934	1,087,117	694,516	147,464	2,322,776
Additions	6,014	19,641	30,311	–	–	55,966
Transfer from inventories	–	–	188,017	–	–	188,017
Disposals	(2,138)	–	(51,701)	–	–	(53,839)
Write-off	(4,529)	(1,650)	(46,667)	–	–	(52,846)
Transfer to inventories	(2,775)	–	(31,770)	–	–	(34,545)
At 31 December 2018 and 1 January 2019	81,317	326,925	1,175,307	694,516	147,464	2,425,529
Additions	36,435	326,901	–	84,548	113,818	561,702
Transfer from inventories	–	–	183,429	–	–	183,429
Disposals	–	(61,942)	(15,435)	–	–	(77,377)
Write-off	–	–	(156,668)	–	–	(156,668)
Transfer to inventories	–	–	(15,723)	–	–	(15,723)
At 31 December 2019	**117,752**	**591,884**	**1,170,910**	**779,064**	**261,282**	**2,920,892**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

11. PLANT AND EQUIPMENT (CONTINUED)

Group and Company	Computer and office equipment $	Laboratory equipment $	Testing and trial equipment $	Production, tooling and mould equipment $	Renovation and furniture and fittings $	Total $
Accumulated depreciation and impairment:						
At 1 January 2018	64,279	277,834	735,975	601,174	140,259	1,819,521
Charge for the year	9,452	15,070	251,536	81,546	4,153	361,757
Disposals	(2,139)	–	(50,698)	–	–	(52,837)
Write-off	(2,894)	–	(21,956)	–	–	(24,850)
Transfer to inventories	(1,772)	–	(27,310)	–	–	(29,082)
At 31 December 2018 and 1 January 2019	66,926	292,904	887,547	682,720	144,412	2,074,509
Charge for the year	11,654	69,201	220,399	9,513	6,648	317,415
Disposals	–	(61,942)	(15,435)	–	–	(77,377)
Write-off	–	–	(121,540)	–	–	(121,540)
Transfer to inventories	–	–	(6,988)	–	–	(6,988)
At 31 December 2019	**78,580**	**300,163**	**963,983**	**692,233**	**151,060**	**2,186,019**
Carrying amount:						
At 31 December 2018	14,391	34,021	287,760	11,796	3,052	351,020
At 31 December 2019	**39,172**	**291,721**	**206,927**	**86,831**	**110,222**	**734,873**

Impairment assessments of assets/plant and equipment written-off

The Group has carried out impairment assessment for plant and equipment, intangible assets and right-of-use assets by estimating the fair value less costs of disposal of the Group as a single cash-generating unit as disclosed in Note 3.2 to the financial statements. The cash generating unit includes plant and equipment, intangible assets and right-of-use assets. Based on the impairment assessment, no impairment is required as at 31 December 2019.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. INTANGIBLE ASSETS

Group and Company	Patent rights $	Trademark $	Total $
Cost:			
At 1 January 2018	622,462	42,228	664,690
Additions	140,939	9,477	150,416
Written off	(161,873)	–	(161,873)
At 31 December 2018 and 1 January 2019	601,528	51,705	653,233
Additions	106,004	18,426	124,430
Written off	(89,941)	–	(89,941)
At 31 December 2019	**617,591**	**70,131**	**687,722**
Accumulated amortisation:			
At 1 January 2018	25,392	20,785	46,177
Charge for the year	24,675	4,582	29,257
At 31 December 2018 and 1 January 2019	50,067	25,367	75,434
Charge for the year	39,480	6,043	45,523
At 31 December 2019	**89,547**	**31,410**	**120,957**
Carrying amount:			
At 31 December 2018	551,461	26,338	577,799
At 31 December 2019	**528,044**	**38,721**	**566,765**

Impairment assessment of assets/intangible assets written-off

The Group has carried out impairment assessment for intangible assets by estimating the fair value less costs of disposal of the Group as a single cash-generating unit as disclosed in Note 3.2 to the financial statements. The cash-generating unit includes plant and equipment, intangible assets and right-of-use assets. Based on the impairment assessment, no impairment is required as at 31 December 2019.

During the financial year, a write-off of $89,941 (2018: $161,873) was recognised on certain professional fees relating to pending patent filing applications that were considered either no longer successful or abandoned. The amount written-off has been recognised in profit or loss under the line item “other expenses”.

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 $	2018 $
Unquoted equity shares, at cost	**1,463,252**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of subsidiary	Principal place of business	Principal activities	Proportion of ownership interest 2019 %	2018 %
Biolidics (Shanghai) Co., Ltd. (明测生物医药(上海)有限公司)[1]	People's Republic of China	Technology development, technology transfer, marketing and sale of biomedical technology related products and services	**100**	–
Biolidics Pty Ltd[2]	Australia	Technology development, technology transfer, marketing and sale of biomedical technology related products and services	**100**	–

(1) In process of appointing auditors.

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

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Cash at banks	**705,981**	11,498,918	**602,555**	11,498,918
Cash on hand	**661**	259	**661**	259
Short-term deposits	**5,323,000**	–	**4,000,000**	–
	6,029,642	11,499,177	**4,603,216**	11,499,177

Short-term deposits are made for varying periods of between 3 to 6 months, depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate for short-term deposits is 1.69% (2018: Nil) per annum.

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

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
United States Dollar	**41,705**	43,514	**41,705**	43,514
Euro	**185,526**	186,349	**185,526**	186,349
Pound Sterling	**58,529**	122,047	**58,529**	122,047

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

15. TRADE RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Trade receivables:				
– third parties	**223,923**	454,605	**223,923**	454,605
– subsidiary	**–**	–	**594**	–
	223,923	454,605	**224,517**	454,605
Allowance for expected credit losses	**–**	–	**–**	–
	223,923	454,605	**224,517**	454,605

Trade receivables – third parties

Trade receivables due from third parties are non-interest bearing and are generally on 30 days' (2018: 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 is unsecured, non-interest bearing and repayable on demand.

Expected credit losses ("ECL")

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to past default experience and ECL of the debtor, ranging from 5% to 20% (2018: 5% to 20%) for receivables that are current to less than 12 months past due, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

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

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
United States Dollar	**24,561**	87,241	**25,148**	87,241
Euro	**21,894**	45,597	**21,894**	45,597
Pound Sterling	**6,529**	749	**6,529**	749

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

15. TRADE RECEIVABLES (CONTINUED)

Expected credit losses ("ECL") (Continued)

Receivables that are past due but not impaired

The Group and Company has trade receivables amounting to $72,062 as at 31 December 2019 and $181,459 as at 31 December 2018 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group and Company	
	2019	**2018**
	$	**$**
Trade receivables past due but not impaired:		
– lesser than 30 days	**15,384**	80,695
– 30 to 60 days	**11,883**	59,697
– 61 to 90 days	**2,075**	1,703
– 91 to 120 days	**–**	19,627
– more than 120 days[(1)]	**42,720**	19,737
	72,062	181,459

(1) The amounts were subsequently received in full after year-end.

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

	Group and Company	
	2019	**2018**
	$	**$**
Movement in allowance accounts:		
At 1 January	**–**	–
Provision/Reversal	**–**	–
At 31 December	**–**	–

16. OTHER RECEIVABLES

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Refundable deposits	**112,023**	81,933	**112,023**	81,933
Goods and Services Tax receivables	**50,396**	133,795	**50,396**	133,795
Accrued interest	**4,333**	–	**3,592**	–
Other receivables due from:				
– third parties	**1,000**	–	**1,000**	–
– subsidiary	**–**	–	**6,396**	–
– shareholder	**3,831**	–	**3,831**	–
	171,583	215,728	**177,238**	215,728
Add: Cash and cash equivalents	**6,029,642**	11,499,177	**4,603,216**	11,499,177
Add: Trade receivables	**223,923**	454,605	**224,517**	454,605
Less: Goods and Services Tax receivables	**(50,396)**	(133,795)	**(50,396)**	(133,795)
Total financial assets carried at amortised cost	**6,374,572**	12,035,715	**4,954,575**	12,035,715

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

16. OTHER RECEIVABLES (CONTINUED)

Deposits

Deposits of the Group and Company mainly relate to deposits paid for office lease and outsourced payroll services.

Related party balances

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

17. INVENTORIES

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Balance sheet:				
Finished goods	**636,742**	537,434	**636,460**	537,434
Spare parts	**266,871**	239,213	**266,871**	230,213
	903,613	776,647	**903,331**	767,647

The allowance for inventories as at 31 December 2019 amounted to $Nil (2018: $1,156).

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Income statement:				
Inventories recognised as an expense in cost of sales	**471,952**	387,779	**472,234**	364,310
Inclusive of the following charge:				
– Inventories written-down	**52,141**	34,525	**52,141**	34,525

18. TRADE PAYABLES

	Group and Company	
	2019	**2018**
	$	**$**
Trade payables:		
– third parties	**468,726**	262,441
– related party[(1)]	**54,190**	45,875
	522,916	308,316

(1) Related party refers to a company for which a director has control.

Trade payables – third parties

These amounts are non-interest bearing and are normally settled on 30 days' (2018: 30 days') terms in cash.

Trade payables – related party

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

18. TRADE PAYABLES (CONTINUED)

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

	Group and Company	
	2019	2018
	$	$
United States Dollar	**2,825**	5,720
Pound Sterling	**–**	23,811
Euro	**11,211**	–

19. OTHER PAYABLES

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Accruals	**303,457**	337,030	**302,039**	337,030
Advances from third parties	**26,496**	25,655	**26,496**	25,655
Amounts due to related parties[(1)]	**24,634**	27,132	**24,634**	27,132
Provision for warranty services	**54,535**	38,507	**54,535**	38,507
Listing expenses payable	**–**	503,400	**–**	503,400
Others	**205,470**	104,236	**205,470**	104,236
	614,592	1,035,960	**613,174**	1,035,960
Add: Trade payables	**522,916**	308,316	**522,916**	308,316
Add: Lease liabilities	**536,628**	–	**536,628**	–
Less: Provision for warranty services	**(54,535)**	(38,507)	**(54,535)**	(38,507)
Less: Advances from third parties	**(26,496)**	(25,655)	**(26,496)**	(25,655)
Total financial liabilities carried at amortised cost	**1,593,105**	1,280,114	**1,591,687**	1,280,114

(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.

Amounts due to related parties

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

20. CONTRACT LIABILITIES

	Group and Company	
	2019	2018
	$	$
Sale of extended warranty services[1]	**95,113**	156,089
Amount invoiced in advance of delivery of goods[2]	**64,605**	133,136
Sale of preventive maintenance services[3]	**17,095**	–
	176,813	289,225

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

(2) For goods sold, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods is being delivered to the customer. When the Group bills the customer in advance, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

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

	Group and Company	
	2019	2018
	$	$
Analysed as:		
Current[1]	**141,933**	188,409
Non-current[2]	**34,880**	100,816
	176,813	289,225

(1) Included in the current portion is the full amount of $64,605 (2018: $133,136) for amount invoiced in advance of delivery of goods. The delivery of goods is determined by the customer, and the Group has no control over the point in time that these contracts will be satisfied. Accordingly, management has classified the full amount as a current liability. The remaining amount of $77,328 (2018: $55,273) relates to warranty and preventive maintenance services for periods due within 1 year from the date of financial statements.

(2) Included in the non-current portion is the sale of extended warranty services for which for warranty periods extend beyond 1 year from the date of financial statements and the Group expects to recognise as revenue in the financial year 2021 (2018: 2020 to 2021).

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

Significant changes in contract liabilities are explained as follows:

	Group and Company	
	2019	2018
	$	$
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
– sale of extended warranty services	**60,975**	11,042
– amount invoiced in advance of delivery of goods	**69,296**	–
	130,271	11,042

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. LEASES

Group and Company as a lessee

The Group has lease contracts for office premise, laboratory space and equipment used in its operations. Leases of office premise and laboratory space generally have lease terms between 1 and 3 years, while office and laboratory equipment generally have lease terms of 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are no lease contracts that include extension or termination options and variable lease payments.

The Group also has certain leases of warehouse premises with lease terms of less than 12 months in which the Group applies the 'short-term lease' recognition exemption for these leases.

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

Group and Company	Office premise and laboratory space $	Office and laboratory equipment $	Total $
At 1 January 2019	214,949	–	214,949
Additions	197,519	466,287	663,806
Depreciation expense	(234,376)	(42,429)	(276,805)
At 31 December 2019	**178,092**	**423,858**	**601,950**

Impairment assessment of assets

The Group has carried out impairment assessment for right-of-use assets by estimating the fair value less costs of disposal of the Group as a single cash-generating unit as disclosed in Note 3.2 to the financial statements. The cash-generating unit includes plant and equipment, intangible assets and right-of-use assets. Based on the impairment assessment, no impairment is required as at 31 December 2019.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Group and Company	2019 $
At 1 January 2019	**214,949**
Additions	**572,089**
Accretion of interest	**6,349**
Payments	**(253,709)**
Accrued lease payments	**(3,050)**
At 31 December 2019	**536,628**
Analysed as:	
Current	**139,659**
Non-current	**396,969**
	536,628

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. LEASES (CONTINUED)

Group and Company as a lessee (Continued)

Impairment assessment of assets (Continued)

A maturity analysis of lease liabilities is as follows:

Group and Company	Interest rate %	Maturity	2019 $
Current portion of lease liabilities	2.08 – 5.48	2020	**139,659**
Non-current portion of lease liabilities	2.08 – 5.48	2021 – 2024	**396,969**
			536,628

The following are the amounts recognised in profit or loss:

	Group and Company 2019 $
Depreciation of right-of-use assets	**276,805**
Interest expense on lease liabilities	**6,349**
Expense relating to short-term leases (included in other expenses)	**10,810**
Total amount recognised in profit or loss	**293,964**

The Group had total cash outflows for leases of $264,519 in 2019. The Group also had non-cash additions to right-of-use assets and lease liabilities of $572,089 in 2019. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 24 to the financial statements.

22. SHARE CAPITAL

	Group and Company			
	2019 No. of shares	2018 No. of shares	2019 $	2018 $
Issued and fully paid ordinary shares:				
At 1 January	**242,500,000**	296,269	**53,798,878**	200,001
Converted from:				
– Series A preference shares (Note A)	**–**	114,729	**–**	2,868,225
– Series B RCPS (Note A)	**–**	236,215	**–**	12,368,584
– Series B2 RCPS (Note A)	**–**	87,206	**–**	7,109,640
– Convertible loans 1, 2, 3 and 4 (Note A)	**–**	284,207	**–**	16,297,241
Exercise of share options (Note A)	**–**	48,601	**–**	1,033,897
Issued via Series C financing (Note A)	**–**	201,451	**–**	6,686,805
Before Share Split (Note B)	**–**	1,268,678	**–**	46,564,393
After Share Split (Note B)	**–**	215,000,000	**–**	46,564,393
Issuance of shares pursuant to Share Placement (Note C)	**–**	27,500,000	**–**	7,234,485
At 31 December	**242,500,000**	242,500,000	**53,798,878**	53,798,878

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. SHARE CAPITAL (CONTINUED)

	Group and Company			
	2019 No. of shares	2018 No. of shares	2019 $	2018 $
Series A preference shares[i]:				
At 1 January	–	114,729	–	2,868,225
Converted to ordinary shares (Note A)	–	(114,729)	–	(2,868,225)
At 31 December	–	–	–	–
Series B RCPS[ii]:				
At 1 January	–	236,215	–	4,548,472
Converted to ordinary shares (Note A)	–	(236,215)	–	(4,548,472)
At 31 December	–	–	–	–
Series B2 RCPS[iii]:				
At 1 January	–	87,206	–	2,627,368
Converted to ordinary shares (Note A)	–	(87,206)	–	(2,627,368)
At 31 December	–	–	–	–
Total	**242,500,000**	242,500,000	**53,798,878**	53,798,878

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

(i) The Series A preference shares ("Series A PS") issued in 2013 are not redeemable. Series A PS may be converted into ordinary shares at conversion ratio of one ordinary share for every Series A PS held at any time from date of issue. All Series A PS carry one vote per share without restriction.

(ii) The Series B RCPS issued in 2013 are non-cumulative and 8% dividend only payable to the extent of the Company's available distributable profits and any shortfall shall not be carried to the next financial year. Series B may be redeemable after 7 years from date of issue at the call of the holders or converted into ordinary shares at conversion ratio of one ordinary share for every Series B RCPS held at any time from date of issue. All Series B RCPS carry one vote per share without restriction.

(iii) The Series B2 RCPS issued in 2014 are non-cumulative and with 8% dividend only payable to the extent of the Company's available distributable profits and any shortfall shall not be carried to the next financial year. Series B2 RCPS may be redeemable after 5 years from date of issue at the call of the holders or converted into ordinary shares at conversion ratio of one ordinary share for every Series B2 RCPS held at any time from date of issue. All Series B2 RCPS carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. SHARE CAPITAL (CONTINUED)

In 2018, all Series A PS, Series B RCPS and Series B2 RCPS were converted to ordinary shares.

Note A: The Group undertook a corporate exercise ("Pre-IPO and Recapitalisation Exercise") to rationalise and streamline its corporate and shareholding structure for the purpose of the IPO. The Pre-IPO and Recapitalisation Exercise involved, inter alia,

(i) The conversion of all the existing Series A PS, Series B RCPS and Series B2 RCPS into ordinary shares at the conversion ratio of one ordinary share for one preference share on 6 July 2018;

(ii) The conversion of all the Convertible loans 1, 2, 3 and 4 into ordinary shares on 6 July 2018;

(iii) The issuance of 115,111 Series C investment shares and 86,340 Series C warrants on 11 July 2018, 13 July 2018 and 19 July 2018 for an aggregate consideration of $6,600,465. The issue price for the Series C investment shares was $57.34 per ordinary share. In addition, 0.75 Series C warrants were issued to each Series C investor for each Series C investment share subscribed for by such Series C investor. There was no issue price for the Series C warrants and they can be converted to ordinary shares at the conversion ratio of 1: 1 at $1.00 per warrant;

(iv) The exercise of all Series C warrants on 24 July 2018, 7 August 2018, 13 August 2018 and 26 September 2018 for an aggregate consideration of $86,340, resulting in an allotment and issuance of 86,340 ordinary shares to the Series C investors; and

(v) The exercise of options granted under the Clearbridge Biomedics Employees' Share Option Scheme (the "Scheme") on 26 September 2018 for an aggregate consideration of $152,239, and the Scheme was terminated on the same day. As of 26 September 2018, there were no options granted under the Scheme that remained unexercised.

Note B: Pursuant to a written resolution dated 3 December 2018, the shareholders of the Company approved the sub-division of 1,268,678 ordinary shares into 215,000,000 ordinary shares (the "Share Split").

Note C: On 19 December 2018, a total of 27,500,000 shares were issued at $0.28 per share via the IPO. Listing expenses of $465,515 has been capitalised against the share capital.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

23. 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	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Subsidiaries of a shareholder of the Company				
Rental charged to the Company	**4,575**	–	**4,575**	–
Provision of management and support services to a subsidiary of the Group	**13,953**	–	**–**	–
Recharge of staff-related expenses to the Company	**191,239**	–	**191,239**	–
Company related to a director of the Company				
Purchases from a company related to a director of the Company	**149,431**	125,772	**149,431**	125,772
Shareholder of the Company				
Secondment of staff to the Company	**158,859**	12,601	**158,859**	12,601
Recharge of staff-related expenses to the Company	**37,117**	–	**37,117**	–

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

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

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

	Group and Company	
	2019	**2018**
	$	**$**
Short-term benefits	**675,742**	474,539
CPF contribution	**44,622**	33,926
	720,364	508,465

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

24. COMMITMENTS

There are no lease contracts that have not yet commenced as at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk.

The Group has documented policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

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

– There is significant difficulty of the borrower

– A breach of contract, such as a default or past due event

– It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

– There is a disappearance of an active market for that financial asset because of financial difficulty

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

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

Other receivables

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

Trade receivables

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

The assessment of the credit quality and exposure to credit risk of the Group’s trade receivables has been disclosed in Note 15 to the financial statements.

As disclosed in Note 15, no expected credit loss has been recorded by the Group as at 31 December 2019 and 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

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

Excessive risk concentration

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

Credit risk concentration profile

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

	Group			
	2019		2018	
	$	% of	$	% of
By country:				
Singapore	**129,930**	58%	**68,757**	15%
Hong Kong	**–**	–	**237,843**	51%
Malaysia	**41,017**	19%	**–**	–
United States of America	**21,792**	10%	**44,651**	10%
People's Republic of China	**–**	–	**39,849**	9%
France	**11,883**	5%	**25,177**	6%
Denmark	**7,476**	3%	**–**	–
Italy	**–**	–	**11,576**	3%
United Kingdom	**6,296**	3%	**–**	–
Germany	**–**	–	**8,183**	2%
Japan	**–**	–	**9,437**	2%
Other countries	**5,529**	2%	**9,132**	2%
Total	**223,923**	100%	**454,605**	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Credit risk concentration profile (Continued)

The Group is dependent on a relatively small group of customers for a substantial portion of its business. As at the end of the reporting period, approximately 53% (2018: 52%) of the Group's trade receivables was due from 1 (2018: 1) customer, which amounted to $117,700 (2018: $237,843).

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

(b) Liquidity risk

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

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

In 2018, the Group completed the Pre-IPO and Recapitalisation Exercise (Note 22 to the financial statements) which included the issuance of Series C investment shares and other transactions for an aggregate consideration of $6,839,044, and the Initial Public Offering exercise for a net proceed of $6,112,718.

As at 31 December 2019 (2018: 31 December 2018), the Group's net current assets amounted to $6,299,064 (2018: $11,730,384) with a cash position of $6,029,642 (2018: $11,499,177). 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

25. 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.

	2019			
	One year or less $	One to five years $	Over five years $	Total $
Group				
Financial assets				
Trade receivables	**223,923**	**–**	**–**	**223,923**
Other receivables	**121,187**	**–**	**–**	**121,187**
Cash and cash equivalents	**6,029,642**	**–**	**–**	**6,029,642**
Total undiscounted financial assets	**6,374,572**	**–**	**–**	**6,374,572**
Financial liabilities				
Trade payables	**522,916**	**–**	**–**	**522,916**
Other payables	**533,561**	**–**	**–**	**533,561**
Lease liabilities	**160,433**	**424,470**	**–**	**584,903**
Total undiscounted financial liabilities	**1,216,190**	**424,470**	**–**	**1,640,660**
Total net undiscounted financial assets/(liabilities)	**5,158,382**	**(424,470)**	**–**	**4,733,912**

	2018			
	One year or less $	One to five years $	Over five years $	Total $
Group				
Financial assets				
Trade receivables	454,605	–	–	454,605
Other receivables	81,933	–	–	81,933
Cash and cash equivalents	11,499,177	–	–	11,499,177
Total undiscounted financial assets	12,035,715	–	–	12,035,715
Financial liabilities				
Trade payables	308,316	–	–	308,316
Other payables	971,798	–	–	971,798
Lease liabilities	–	–	–	–
Total undiscounted financial liabilities	1,280,114	–	–	1,280,114
Total net undiscounted financial assets/(liabilities)	10,755,601	–	–	10,755,601

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	2019			
	One year or less $	One to five years $	Over five years $	Total $
Company				
Financial assets				
Trade receivables	**224,517**	**–**	**–**	**224,517**
Other receivables	**126,842**	**–**	**–**	**126,842**
Cash and cash equivalents	**4,603,216**	**–**	**–**	**4,603,216**
Total undiscounted financial assets	**4,954,575**	**–**	**–**	**4,954,575**
Financial liabilities				
Trade payables	**522,916**	**–**	**–**	**522,916**
Other payables	**532,143**	**–**	**–**	**532,143**
Lease liabilities	**160,433**	**424,470**	**–**	**584,903**
Total undiscounted financial liabilities	**1,215,492**	**424,470**	**–**	**1,639,962**
Total net undiscounted financial assets/(liabilities)	**3,739,083**	**(424,470)**	**–**	**3,314,613**

	2018			
	One year or less $	One to five years $	Over five years $	Total $
Company				
Financial assets				
Trade receivables	454,605	–	–	454,605
Other receivables	81,933	–	–	81,933
Cash and cash equivalents	11,499,177	–	–	11,499,177
Total undiscounted financial assets	12,035,715	–	–	12,035,715
Financial liabilities				
Trade payables	308,316	–	–	308,316
Other payables	971,798	–	–	971,798
Lease liabilities	–	–	–	–
Total undiscounted financial liabilities	1,280,114	–	–	1,280,114
Total net undiscounted financial assets/(liabilities)	10,755,601	–	–	10,755,602

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

25. 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 ("US Dollar"), Euro and Pound Sterling and is therefore exposed to foreign exchange risk.

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

	Group			
	Liabilities		Assets	
	2019	2018	2019	2018
	$	$	$	$
US Dollar	**28,488**	5,720	**66,266**	130,756
Euro	**16,562**	–	**207,420**	231,946
Pound Sterling	**–**	23,811	**65,058**	122,797

	Company			
	Liabilities		Assets	
	2019	2018	2019	2018
	$	$	$	$
US Dollar	**28,488**	5,720	**66,853**	130,756
Euro	**16,562**	–	**207,420**	231,946
Pound Sterling	**–**	23,811	**65,058**	122,797

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

Foreign currency sensitivity

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

	Group	
	2019	2018
	$	$
US Dollar impact	**378**	1,250
Euro impact	**1,909**	2,319
Pound Sterling impact	**651**	990

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

26. 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.

27. 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. This forms the basis of identifying the segments of the Group under SFRS(1) 8 *Operating Segments* as follows:

(a) Technical and product development

The technical and product development segment involves identifying and assessing collaboration partners and their technology, provision of technical expertise in clinical services, revenue generating collaboration projects, and product innovation and improvement.

(b) Global commercial channel management

The global commercial channel management segment involves management of global distributorship network and direct customers.

(c) 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 2019

27. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

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

	Technical and product development $	Global commercial channel management $	Corporate segment $	Total $
2019				
Revenue:				
External customers	**–**	**1,438,080**	**–**	**1,438,080**
Inter-segment	**–**	**–**	**–**	**–**
Total revenue	**–**	**1,438,080**	**–**	**1,438,080**
Segment results:	**–**	**966,128**	**–**	**966,128**
Other income	**–**	**–**	**216,638**	**216,638**
Employee benefits expense	**–**	**(499,093)**	**(1,006,448)**	**(1,505,541)**
Depreciation expense	**(121,142)**	**(220,400)**	**(252,678)**	**(594,220)**
Amortisation expense	**(45,523)**	**–**	**–**	**(45,523)**
Research and development expense	**(1,231,330)**	**–**	**–**	**(1,231,330)**
Other expenses	**(205,298)**	**(487,166)**	**(1,881,891)**	**(2,574,355)**
Impairment loss	**–**	**–**	**(35,128)**	**(35,128)**
Finance costs	**–**	**–**	**(6,349)**	**(6,349)**
Segment loss before tax	**(1,603,293)**	**(240,531)**	**(2,965,856)**	**(4,809,680)**
Income tax expense	**–**	**–**	**–**	**–**
Segment loss after tax	**(1,603,293)**	**(240,531)**	**(2,965,856)**	**(4,809,680)**
Assets:				
Additions to non-current assets	**1,002,166**	**183,429**	**562,721**	**1,748,316**
2018				
Revenue:				
External customers	–	1,267,906	–	1,267,906
Inter-segment	–	–	–	–
Total revenue	–	1,267,906	–	1,267,906
Segment results:	–	880,127	–	880,127
Other income	–	–	64,767	64,767
Employee benefits expense	–	(627,406)	(702,970)	(1,330,376)
Depreciation expense	(96,616)	(251,536)	(13,605)	(361,757)
Amortisation expense	(29,257)	–	–	(29,257)
Research and development expense	(1,072,043)	–	–	(1,072,043)
Change in fair value of financial liabilities designated as FVTPL	–	–	(312,354)	(312,354)
Other expenses	(203,465)	(247,338)	(3,064,173)	(3,514,976)
Impairment loss	–	–	–	–
Finance costs	–	–	(575,668)	(575,668)
Segment loss before tax	(1,401,381)	(246,153)	(4,604,003)	(6,251,537)
Income tax expense	–	–	–	–
Segment loss after tax	(1,401,381)	(246,153)	(4,604,003)	(6,251,537)
Assets:				
Additions to non-current assets	170,057	218,328	6,014	394,399

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

27. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

	Global commercial channel management	
	2019	**2018**
	$	**$**
Segment revenue		
Singapore	**160,854**	93,013
Japan	**537,899**	359,583
China	**209,299**	87,112
Europe	**196,658**	413,369
United States	**47,353**	35,033
Hong Kong	**177,967**	261,705
Others	**108,050**	18,091
	1,438,080	1,267,906

Information about major customers

Revenue from two major customers amount to $663,768 (2018: $548,270), arising from sales by the Global commercial channel management segment.

28. SUBSEQUENT EVENTS

(a) Placement of 17,858,000 new ordinary shares (the "Placement Shares")

On 27 March 2020, the Company completed the issuance and allotment of 17,858,000 new ordinary shares ("Placement Shares") at the price of $0.175 for each Placement Share, amounting to an aggregate Placement consideration of $3,125,150 (before any transaction cost).

Following the allotment and issuance of the Placement Shares, the issued and paid-up share capital of the Company has increased from 242,500,000 Shares to 260,358,000 Shares.

(b) Sale and purchase agreement

On 27 March 2020, the Company announced that it had on the same date entered into a sale and purchase agreement with SAM Laboratory Pte. Ltd., to acquire the entire issued and paid-up share capital of BioMedics Laboratory Pte. Ltd. (the "Proposed Acquisition"), for an aggregate consideration of up to $3,700,000 (the "Consideration"), to be satisfied by way of cash, of which $100,000 shall be payable upon completion of the acquisition, following which the balance of the Consideration (the "Deferred Consideration") shall be paid no later than 24 months from the date of completion. The Company has the option to satisfy the Deferred Consideration at any time after Completion by providing written notice of such payment.

As at the date of the financial statements, the Proposed Acquisition is subject to approval by the Company's Shareholders at a general meeting to be convened.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

29. COMPARATIVE FIGURES

The financial statements for the financial year ended 31 December 2018 were audited by another firm of Chartered Public Accountants.

30. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 27 March 2020.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2020

Number of shares	:	242,500,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 18 March 2020, approximately 46.97% of the total number of issued ordinary shares of the Company was held by the public as defined in the Catalist Rules. Accordingly, Rule 723 of the Catalist Rules has been complied with.

DISTRIBUTION OF HOLDERS OF SHARES BY SIZE OF SHAREHOLDINGS AS AT 18 MARCH 2020

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	5	1.65	408	0.00
100 – 1,000	4	1.32	3,800	0.00
1,001 – 10,000	46	15.18	306,421	0.13
10,001 – 1,000,000	220	72.61	33,253,379	13.71
1,000,001 and above	28	9.24	208,935,992	86.16
TOTAL	**303**	**100.00**	**242,500,000**	**100.00**

TWENTY LARGEST HOLDERS OF SHARES AS AT 18 MARCH 2020

No.	Name of shareholder	No. of shares	% of shares
1	CLEARBRIDGE BSA PTE LTD	60,135,400	24.80
2	SEEDS CAPITAL PTE. LTD.	25,880,800	10.67
3	TRAUWIN PTE. LIMITED	19,044,600	7.85
4	DBSN SERVICES PTE LTD	13,652,500	5.63
5	DBS NOMINEES PTE LTD	12,612,367	5.20
6	LIM CHWEE TECK	12,021,000	4.96
7	MAYBANK KIM ENG SECURITIES PTE. LTD	10,674,225	4.40
8	MITSUBISHI UFJ LIFE SCIENCE I, LIMITED PARTNERSHIP	9,139,900	3.77
9	KENYON PTE LTD	5,581,800	2.30
10	WONG YAT FOO	4,098,200	1.69
11	LIM HWEE SIAN	3,527,000	1.45
12	COOP INTERNATIONAL PTE LTD	3,500,000	1.44
13	KUIK THIAM HUAT	3,068,900	1.27
14	DARK HORSE INVESTMENT HOLDINGS LIMITED	3,012,800	1.24
15	CHEN JOHNSON	2,748,300	1.13
16	KUIK AH HAN	2,586,100	1.07
17	CHONG SIEW HONG	2,585,900	1.07
18	RACER TECHNOLOGY PTE LTD	2,231,800	0.92
19	NUS TECHNOLOGY HOLDINGS PTE LTD	1,853,800	0.76
20	XIE TIAN	1,551,600	0.64
	TOTAL	**199,506,992**	**82.26**

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2020

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2020

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Clearbridge BSA Pte. Ltd.[(1)]	60,135,400	24.80	25,880,800	10.67
Clearbridge Health Limited[(2)]	–	–	86,016,200	35.47
SEEDS Capital Pte. Ltd.	25,880,800	10.67	–	–
Enterprise Singapore Holdings Pte. Ltd.[(3)]	–	–	25,880,800	10.67
Enterprise Singapore[(3)]	–	–	25,880,800	10.67
Trauwin Pte. Limited	19,044,600	7.85	–	–
Qian Fuqing[(4)]	–	–	19,044,600	7.85
Qian Xiaojin[(4)]	–	–	19,044,600	7.85
BV Healthcare II Pte. Ltd.	13,652,500	5.63	–	–
NRF Holdings Pte. Ltd.[(5)]	–	–	13,652,500	5.63
Sagamore Healthcare I, L.P.[(6)]	–	–	13,652,500	5.63
Sagamore Investment Management LLC[(6)]	–	–	13,652,500	5.63

Notes:

(1) Pursuant to a call option granted to Clearbridge BSA Pte. Ltd. ("**CBSA**") by SEEDS Capital Pte. Ltd. ("**SEEDS**"), CBSA has the right to acquire all of the shares held by SEEDS. The call option will expire on 28 November 2020. For the purposes of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), CBSA is deemed to have interest in the shares held by SEEDS.

(2) CBSA is wholly-owned by Clearbridge, a company listed on Catalist. For the purposes of Section 4 of the SFA, Clearbridge is deemed to have interest in the shares held by CBSA.

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

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

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

(6) Sagamore Healthcare I, L.P. ("**Sagamore Healthcare**") holds 33.3% of the issued and paid-up share capital of BV Healthcare. Sagamore Investment Management LLC ("**Sagamore Investment**") is the general partner of Sagamore Healthcare. For the purposes of Section 4 of the SFA, each of Sagamore Healthcare and Sagamore Investment is treated as having an interest in the shares held by BV Healthcare.

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BIOLIDICS LIMITED

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