

UNAUDITED INTERIM FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE (“HY FY”) 2021

This announcement has been prepared by Biolidics Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) 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 (“**Catalist Rules**”). This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr. Lim Hoon Khia, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.

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A. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group HY FY2021 S\$'000	Group HY FY2020 S\$'000	+/(-) %
Revenue	4	639	7,100	(91.0)
Other income	5	187	265	(29.4)
Changes in inventories		162	1,271	(87.3)
Purchases		(918)	(5,284)	(82.6)
Employee benefits expense	6	(834)	(690)	20.9
Depreciation expense		(427)	(354)	20.6
Amortisation expense		(200)	(20)	900.0
Research and development expense	8	(385)	(487)	(20.9)
Other expenses	8	(1,148)	(1,880)	(38.9)
Finance costs	7	(108)	(27)	300.0
Loss before tax	8	(3,032)	(106)	n.m.
Income tax credit	9	28	-	n.m.
Loss for the period		(3,004)	(106)	n.m.
<u>Other comprehensive loss for the period:</u>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Effects of translation of foreign operations		(18)	25	(172.0)
Total comprehensive loss for the period		(3,022)	(81)	n.m.
Loss per share (cents per share)	10			
- Basic		1.14	0.04	
- Diluted		1.13	0.04	

n.m. – not meaningful

B. STATEMENTS OF FINANCIAL POSITION

		Group		Company	
	Note	As at 30/06/21 S\$'000	As at 31/12/20 S\$'000	As at 30/06/21 S\$'000	As at 31/12/20 S\$'000
Non-current assets					
Plant and equipment	11	593	772	573	718
Right-of-use assets	12	459	635	285	400
Intangible assets	13	3,669	3,777	700	642
Goodwill	14	626	626	-	-
Investment in subsidiaries		-	-	5,046	5,046
		5,347	5,810	6,604	6,806
Current assets					
Cash and cash equivalents		7,673	10,669	6,135	9,024
Trade receivables		99	202	238	358
Prepayments		274	267	257	246
Other receivables		146	197	682	468
Inventories	15	1,535	1,610	1,500	1,589
		9,727	12,945	8,812	11,685
Total assets		15,074	18,755	15,416	18,491
Current liabilities					
Trade payables		198	143	173	130
Other payables		425	781	418	771
Contract liabilities		331	185	331	185
Lease liabilities	16	244	265	154	150
Borrowings	16	1,007	869	1,007	869
Deferred consideration		3,540	-	3,540	-
Deferred grant income		-	48	-	48
		5,745	2,291	5,623	2,153
Net current assets		3,982	10,654	3,189	9,532
Non-current liabilities					
Contract liabilities		-	-	-	-
Lease liabilities	16	268	378	197	274
Borrowings	16	3,257	3,764	3,257	3,764
Provision for reinstatement cost		10	10	5	5
Deferred consideration		-	3,507	-	3,507
Deferred tax liabilities		504	533	-	-
		4,039	8,192	3,459	7,550
Total liabilities		9,784	10,483	9,082	9,703
Net assets		5,290	8,272	6,334	8,788
Equity attributable to owners of the Company					
Share capital	17	58,883	58,335	58,883	58,335
Foreign currency translation reserve		111	129	-	-
Share-based payment reserve	18	-	508	-	508
Accumulated losses		(53,704)	(50,700)	(52,549)	(50,055)
Total equity		5,290	8,272	6,334	8,788

C. CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	HY FY2021 S\$'000	HY FY2020 S\$'000
Operating activities		
Loss before income tax	(3,032)	(106)
Adjustments for:		
Amortisation expense	200	20
Depreciation of plant and equipment	250	219
Depreciation of right-of-use assets	176	135
Plant and equipment written off	-	10
Inventories written off	44	3
Allowance for inventories obsolescence	300	-
Interest expense on lease liabilities	12	12
Interest expense on borrowings	63	15
Accretion of interest on deferred consideration	33	-
Interest income from fixed deposits	(1)	(23)
Employee share-based payment – equity settled	9	-
Professional fees – equity settled	31	-
Operating cash flows before movement in working capital	(1,915)	285
Trade receivables	103	29
Prepayments	(7)	(1,751)
Other receivables	51	(336)
Inventories (Note A)	(310)	(1,348)
Trade payables	55	(6)
Other payables	(366)	286
Contract liabilities	146	(89)
Deferred grant income	(48)	-
Cash flows used in operations	(2,291)	(2,930)
Interest received	1	19
Interest paid	(75)	(27)
Net cash used in operating activities	(2,365)	(2,938)
Investing activities		
Additions to plant and equipment (Note A)	(30)	(194)
Additions to intangible assets	(92)	(53)
Proceeds from disposal of plant and equipment	1	-
Acquisition of a subsidiary, net of cash acquired	-	(90)
Net cash used in investing activities	(121)	(337)
Financing activities		
Proceeds from placement shares	-	3,125
Proceeds from borrowings	-	3,000
Placement shares issuance expenses	-	(28)
Payment of principal portion of borrowings	(370)	(93)
Payment of principal portion of lease liabilities	(122)	(96)
Net cash generated (used in)/from financing activities	(492)	5,908
Net (decrease)/increase in cash and cash equivalents	(2,978)	2,633
Cash and cash equivalents at beginning of period	10,669	6,030
Exchange effects on cash and cash equivalents	(18)	25
Cash and cash equivalents at end of period	7,673	8,688

Note A: During HY FY2020 and HY FY2021, the Group transferred inventories to plant and equipment that were loaned out to collaboration partners and customers:-

	HY2021 S\$'000	HY2020 S\$'000
Transfer of inventories to plant and equipment	42	42

D. STATEMENTS OF CHANGES IN EQUITY

(In S\$'000)

	Share capital	Foreign currency translation reserve	Share-based payment reserve	Accumulated losses	Total equity
Group					
Balance as at 1 January 2021	58,335	129	508	(50,700)	8,272
<u>Total comprehensive loss for the period</u>					
Loss for the period	-	-	-	(3,004)	(3,004)
Other comprehensive income for the period	-	(18)	-	-	(18)
Total	-	(18)	-	(3,004)	(3,022)
<u>Transactions with owners, recognised directly in equity</u>					
Employee share-based payment – equity settled	-	-	9	-	9
Professional fees – equity settled	-	-	31	-	31
Transfer of issued shares	548	-	(548)	-	-
Total	548	-	(508)	-	40
Balance as at 30 June 2021	58,883	111	-	(53,704)	5,290
Balance as at 1 January 2020	53,799	17	-	(46,050)	7,766
<u>Total comprehensive loss for the period</u>					
Loss for the period	-	-	-	(106)	(106)
Other comprehensive income for the period	-	25	-	-	25
Total	-	25	-	(106)	(81)
<u>Transactions with owners, recognised directly in equity</u>					
Issuance of ordinary shares	3,125	-	-	-	3,125
Share issuance expenses	(28)	-	-	-	(28)
Total	3,097	-	-	-	3,097
Balance as at 30 June 2020	56,896	42	-	(46,156)	10,782

D. STATEMENTS OF CHANGES IN EQUITY (cont'd)

(In S\$'000)

Company

Balance as at 1 January 2021

Loss for the period, representing total comprehensive loss for the period

Total

Share capital	Share-based payment reserve	Accumulated losses	Total equity
58,335	508	(50,055)	8,788
-	-	(2,494)	(2,494)
-	-	(2,494)	(2,494)

Transactions with owners, recognised directly in equity

Employee share-based payment – equity settled

Professional fees – equity settled

Transfer of issued shares

Total

-	9	-	9
-	31	-	31
548	(548)	-	-
548	(508)	-	40

Balance as at 30 June 2021

58,883	-	(52,549)	6,334
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Balance as at 1 January 2020

Profit for the period, representing total comprehensive income for the period

Total

53,799	-	(46,038)	7,761
-	-	28	28
53,799	-	(46,010)	7,789

Transactions with owners, recognised directly in equity

Issuance of ordinary shares

Share issuance expenses

Total

3,125	-	-	3,125
(28)	-	-	(28)
3,097	-	-	3,097

Balance as at 30 June 2020

56,896	-	(46,010)	10,886
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E. SELECTED NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

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

The condensed interim financial statements for HY FY2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Group and the Company are those relating to:

- (a) technology development, technology transfer, marketing, sale and distribution of biomedical technology, life and medicine science related products and services;
- (b) provision of laboratory services; and
- (c) Investment holding.

2. Basis of preparation

The condensed interim financial statements for HY FY2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the year ended 31 December 2020 (“**FY2020**”).

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

The Group has applied the same accounting policies and methods of computation in the preparation of the condensed interim financial statements for HY FY2021 as compared to those applied in the audited financial statements for FY2020 except for the adoption of new or revised SFRS(I) and Interpretations of Singapore Financial Reporting Standards (“**SFRS(I) INT**”) that are mandatory for financial years beginning on or after 1 January 2021. The Group has adopted all applicable SFRS(I) and SFRS(I) INT that are mandatory for financial years beginning on or after 1 January 2021. The adoption of these SFRS(I) and SFRS(I) INT has no significant impact on the Group’s consolidated financial statements.

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for FY2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as follows:

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are included in the following notes:

- Notes 11, 12 and 13 - Impairment assessment of plant and equipment, right-of-use assets and intangible assets
- Note 14 - Impairment assessment of goodwill on consolidation
- Note 18 - Share-based compensation

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during HY FY2021.

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 21).

Disaggregation of revenue

	Group	
	HY FY2021	HY FY2020
	S\$'000	S\$'000
Sale of COVID-19 products	430	6,346
Sale of devices and consumables	89	673
Sale of extended warranty services	36	74
Rendering of laboratory services	84	7
	639	7,100

Timing of transfer of goods or services

At point in time
Over time

603	7,026
36	74
639	7,100

5. Other income

Government grants
Interest income from fixed deposits
Foreign exchange gain, net
Reversal of provision for unconsumed leave
Others

Group	
HY FY2021	HY FY2020
S\$'000	S\$'000
84	238
1	23
71	-
12	-
19	4
187	265

6. Employee benefits expense

Directors' remuneration
Salaries and bonuses
Employer's contribution to defined contribution plans
Share-based payment – equity settled

Group	
HY FY2021	HY FY2020
S\$'000	S\$'000
124	135
622	504
79	51
9	-
834	690

7. Finance costs

Interest expense on borrowings
Interest expense on lease liabilities
Accretion of interest on deferred consideration

Group	
HY FY2021	HY FY2020
S\$'000	S\$'000
63	15
12	12
33	-
108	27

8. Loss before tax

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

	Group	
	HY FY2021	HY FY2020
	S\$'000	S\$'000
Amortisation of intangible assets	200	20
Depreciation of plant and equipment	250	219
Depreciation of right-of-use assets	177	135
Loss on disposal of plant and equipment	-	10
Inventories written off	44	4
Allowance for inventories	300	-
Provision for unconsumed leave	-	22
Rental expenses	11	18
Travelling expenses	15	195
Professional fees (cash-settled)	709	893
Professional fees (equity-settled)	31	-
Sales and marketing expenses	41	76
Foreign exchange loss, net	-	144
Repairs and maintenance	51	38
Staff training	9	40
Delivery charges	16	18

Research and development expense

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

9. Income tax credit

	Group	
	HY FY2021	HY FY2020
	S\$'000	S\$'000
Current income tax	-	-
Deferred income tax		
- Origination and reversal of temporary differences	(28)	-
Income tax credit recognised in profit or loss	(28)	-

10. Loss per share

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

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

	Group	
	HY FY2021	HY FY2020
Loss for the period, net of tax, attributable to owners of the Company used in the computations of basic and diluted loss per share (S\$'000)	(3,004)	(106)
Weighted average number of shares for basic loss per share computation ('000)	264,523	251,873
Effects of dilution:		
- Share awards pursuant to the Plan ('000)	910	-
- Share awards granted as consideration in lieu of fees for the services rendered by third party individuals ('000)	354	-
Weighted average number of shares for diluted loss per share computation ('000)	265,787	251,873
Basic loss per share (cents)	(1.14)	(0.04)
Diluted loss per share (cents)	(1.13)	(0.04)

11. Plant and equipment

During HY FY2021, the Group acquired plant and equipment amounting to S\$30,000 (HY FY2020: S\$194,000), and transferred inventories amounting to S\$42,000 (HY FY2020: S\$42,000), that were loaned out to collaboration partners and customers, to plant and equipment.

Impairment assessment of plant and equipment

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for FY2020. Accordingly, no impairment was required as at 30 June 2021.

12. Right-of-use assets

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

There were no additions during HY FY2021.

Impairment assessment of right-of-use assets

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for FY2020. Accordingly, no impairment was required as at 30 June 2021.

13. Intangible assets

Group	Accreditation S\$'000	Patent rights S\$'000	Trademark S\$'000	Total S\$'000
Cost:				
At 31 December 2020	3,329	740	72	4,141
Additions	-	85	7	92
At 30 June 2021	3,329	825	79	4,233
Accumulated amortisation:				
At 31 December 2020	194	133	37	364
Charge for the period	166	30	4	200
At 30 June 2021	360	163	41	564
Carrying amount:				
At 31 December 2020	3,135	607	35	3,777
At 30 June 2021	2,969	662	38	3,669

Company	Patent rights S\$'000	Trademark S\$'000	Total S\$'000
Cost:			
At 31 December 2020	740	72	812
Additions	85	7	92
At 30 June 2021	825	79	904
Accumulated amortisation:			
At 31 December 2020	133	37	170
Charge for the period	30	4	34
At 30 June 2021	163	41	204
Carrying amount:			
At 31 December 2020	607	35	642
At 30 June 2021	662	38	700

Impairment assessment of intangible assets

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for FY2020. Accordingly, no impairment was required as at 30 June 2021.

14. Goodwill

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

Impairment assessment of goodwill

Goodwill that has an indefinite useful life is not subject to amortisation and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for FY2020. Accordingly, no impairment was required as at 30 June 2021. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the Group's audited financial statements for FY2020.

15. Inventories

	Group		Company	
	As at 30/06/21	As at 31/12/20	As at 30/06/21	As at 31/12/20
	S\$'000	S\$'000	S\$'000	S\$'000
Balance sheet:				
Finished goods	1,235	1,347	1,200	1,326
Spare parts	300	263	300	263
	1,535	1,610	1,500	1,589
			HY FY2021	Group
			S\$'000	HY FY2020
				S\$'000
Income statement:				
Inventories recognised as an expense in cost of sales			756	4,013
Inclusive of the following charge:				
- Allowance for inventories ⁽¹⁾			300	-
Inventories recognised as an expense in other expenses				
- Inventories written off			44	4

⁽¹⁾ During HY FY2021, the Group assessed that COVID-19 related products, amounting to S\$300,000, which are due to expire in FY2021, are unsellable due to the proximity of their expiry dates. Accordingly, the Group made full provision for these inventories.

16. Loans classified as Lease liabilities and Borrowings

	Group		Company	
	As at 30/06/21	As at 31/12/20	As at 30/06/21	As at 31/12/20
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year or on demand				
Secured (Note A)	135	133	74	73
Unsecured	1,007	869	1,007	869
Amount repayable after one year:				
Secured (Note A)	246	314	178	215
Unsecured	3,257	3,764	3,257	3,764

Note A: Assets pledged as security

The Group's hire purchase loans classified as lease liabilities which amounted to S\$381,000 as at 30 June 2021 (31 December 2020: S\$447,000) are secured as collateral against the Group's right-of-use assets which have a net carrying amount of S\$333,000 as at 30 June 2021 (31 December 2020: S\$451,000).

17. Share capital

	Number of shares	Issued and paid-up share capital S\$'000
As at 31 December 2020	264,047,000	58,335
Issuance of shares ⁽¹⁾	1,404,700	548
As at 30 June 2021	265,451,700	58,883

- ⁽¹⁾ On 30 April 2021, the Company issued an aggregate of 1,011,200 new ordinary shares in the capital of the Company to certain employees and a director of the Company pursuant to the vesting of share awards ("**Awards**") granted under the Biolidics Performance Share Plan (the "**Plan**"). On the same day, the Company issued an aggregate of 393,500 new ordinary shares in the capital of the Company to certain third party individuals contracted to provide services to the Company and its subsidiaries in relation to scientific, technological, market development, corporate advisory and human resource management matters, pursuant to the vesting of such new shares.

As at 30 June 2021, the Company had:

- (i) Up to 2,666,000 new ordinary shares in the capital of the Company ("**Award Shares**") to be issued to certain employees and a director of the Company subject to the vesting of outstanding Awards granted under the Plan upon the achievement of predetermined performance targets, of which (a) up to 1,333,000 Awards will vest within 4 months from 1 January 2022; and (b) up to 1,333,000 Awards will vest within 4 months from 1 January 2023, and
- (ii) Up to 1,037,000 new ordinary shares in the capital of the Company ("**New Shares**") to be issued to third party individuals which were awarded to them in part as consideration in lieu of fees for the services rendered and in part as performance based incentives for future performance of such service, and will vest upon the achievement of predetermined performance targets over a predetermined performance period, out of which (a) up to 518,500 New Shares will vest within 4 months from 1 January 2022; and (b) up to 518,500 New Shares will vest within 4 months from 1 January 2023.

The outstanding Award Shares and New Shares, which amounted to 3,703,000 shares in aggregate as at 30 June 2021, represent approximately 1.39% of the total number of issued shares of the Company (excluding treasury shares) as at 30 June 2021. As at 30 June 2020, the Company had no outstanding convertibles.

There were no treasury shares and subsidiary holdings held by the Company as at 30 June 2021 and 30 June 2020.

18. Share-based payment reserve

Share-based payment reserve represents the equity-settled performance shares granted to directors and employees pursuant to the Plan, and equity-settled shares granted to third party individuals as consideration in lieu of fees for their services rendered and in part as performance based incentives for future performance of such service.

On 30 April 2021, the Company issued an aggregate of 1,011,200 new ordinary shares in the capital of the Company to certain employees and a director of the Company pursuant to the vesting of Awards granted under the Plan. On the same day, the Company issued an aggregate of 393,500 new ordinary shares in the capital of the Company to certain third party individuals contracted to provide services to the Company and its subsidiaries in relation to scientific, technological, market development, corporate advisory and human resource management matters, pursuant to the vesting of such new shares.

The share-based payment expense is recorded over the requisite service period, which is the vesting period.

The carrying amounts of share-based payment reserve and the movements during the period are set out below:

	Group and Company S\$'000
Balance as at 1 January 2021	508
Employee share-based payment – equity settled recognised in profit or loss	9
Professional fees – equity settled recognised in profit or loss	31
Share issuance resulting in transfer from share-based payment reserve to share capital	(548)
Balance as at 30 June 2021	-

19. Net asset value per share

	Group		Company	
	As at 30/06/21	As at 31/12/20	As at 30/06/21	As at 31/12/20
Net asset value (S\$'000)	5,290	8,272	6,334	8,788
Number of shares ('000)	265,452	264,047	265,452	264,047
Net asset value per share (cents)	1.99	3.13	2.39	3.33

20. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

21. 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.

(a) ***Cancer***

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

(b) ***Infectious diseases***

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

(c) ***Laboratory services***

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

(d) ***Corporate segment***

The corporate segment involves the corporate functions in supporting the operations of the entire Group.

Segment profit represents the profit earned by each segment without allocation of other gains and losses, distribution and selling expenses, administrative expenses, finance income and finance cost. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment revenue and results

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

	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
HY FY2021					
Revenue:					
External customers	125	430	84	-	639
Inter-segment	-	-	-	-	-
Total revenue	125	430	84	-	639
Segment results:					
Other income	-	-	-	187	187
Employee benefits expense	(70)	(75)	(93)	(596)	(834)
Depreciation expense	(232)	-	(115)	(80)	(427)
Amortisation expense	(34)	-	(166)	-	(200)
Research and development expense	(277)	(108)	-	-	(385)
Other expenses	(117)	(125)	(118)	(788)	(1,148)
Finance costs	-	-	(4)	(104)	(108)
Segment loss before tax	(978)	(246)	(427)	(1,381)	(3,032)
Income tax credit	-	-	28	-	28
Segment loss after tax	(978)	(246)	(399)	(1,381)	(3,004)
Assets:					
Additions to non-current assets	92	-	22	8	122

	Cancer S\$'000	Infectious diseases S\$'000	Laboratory services S\$'000	Corporate segment S\$'000	Total S\$'000
HY FY2020					
Revenue:					
External customers	747	6,346	7	-	7,100
Inter-segment	-	-	-	-	-
Total revenue	747	6,346	7	-	7,100
Segment results:					
Other income	-	-	-	265	265
Employee benefits expense	(131)	(66)	-	(493)	(690)
Depreciation expense	(248)	-	(46)	(60)	(354)
Amortisation expense	(20)	-	-	-	(20)
Research and development expense	(396)	(91)	-	-	(487)
Other expenses	(300)	(135)	(59)	(1,386)	(1,880)
Impairment loss	-	-	-	-	-
Finance costs	-	-	(1)	(26)	(27)
Segment loss before tax	(1,095)	2,788	(99)	(1,700)	(106)
Income tax expense	-	-	-	-	-
Segment loss after tax	(1,095)	2,788	(99)	(1,700)	(106)
Assets:					
Additions to non-current assets	236	-	-	11	247

Geographical information

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

	Cancer		Infectious diseases		Laboratory services	
	HY2021 S\$'000	HY2020 S\$'000	HY2021 S\$'000	HY2020 S\$'000	HY2021 S\$'000	HY2020 S\$'000
Segment revenue						
Singapore	15	44	12	2,154	14	1
Japan	22	117	-	154	-	-
China	-	335	-	-	-	-
Europe	12	49	362	43	47	-
United States	-	27	-	175	-	-
Hong Kong	73	166	-	348	-	-
Philippines	-	-	-	2,060	15	4
Indonesia	-	-	51	1,409	-	-
Others	3	9	5	3	8	2
	125	747	430	6,346	84	7

Information about major customers

Revenue from one (HY FY2020: two) major customer(s) amounted to S\$362,000 (HY FY2020: S\$5,741,000), arising from sales by the Infectious diseases segment (HY FY2020: Infectious diseases segment).

22. Subsequent events

On 2 August 2021, the Company and Sysmex Corporation ("**Sysmex**") (together, the "**Parties**") reached an amicable settlement as captured by a settlement agreement dated 2 August 2021 (the "**Settlement**"), which fully settles all matters referred to in the Company's announcements dated 16 October 2020 and 5 November 2020 in relation to, among others, the Company's issuance of a letter of demand to Sysmex, the counterclaim from Sysmex (the "**Counterclaim**") and the Company's issuance of a Notice of Arbitration under the Arbitration Rules of the Hong Kong International Arbitration Centre ("**HKIAC**") to Sysmex (i.e. the Arbitration) (the "**NOA**").

As the Parties are bound by the confidentiality provisions in the Settlement, the Parties are only at liberty to disclose that the Parties have agreed to, among others, mutually release and waive all claims arising from any alleged past breaches of agreements between the Parties that are arising out of, among others, the claims set out in the NOA and the Counterclaim. The terms of the Settlement is not expected to have a material impact on the financial performance of the Group for the current financial year ending 31 December 2021.

In light of the Settlement, the Parties had also on 2 August 2021, notified the HKIAC of their mutual intention to discontinue the Arbitration forthwith, which will conclude the Arbitration.

F. OTHER INFORMATION REQUIRED UNDER THE CATALIST RULES

PART I - INFORMATION REQUIRED FOR QUARTERLY, HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to Section A - Consolidated statement of profit or loss and other comprehensive income of this announcement.

- 1(a)(ii) Notes to statement of comprehensive income**

Please refer to Notes 5 to 8 under Section E - Selected notes to the financial statements of this announcement.

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Please refer to Section B - Statements of financial position of this announcement.

- 1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

Please refer to Note 16 under Section E - Selected notes to the financial statements of this announcement.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to Section C - Consolidated statement of cash flows of this announcement.

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.**

Please refer to Section D - Statements of changes in equity of this announcement.

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding**

period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Please refer to Note 17 under Section E - Selected notes to the financial statements of this announcement.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to Note 17 under Section E - Selected notes to the financial statements of this announcement.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Please refer to Note 2.1 under Section E - Selected notes to the financial statements of this announcement.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Note 2.1 under Section E - Selected notes to the financial statements of this announcement.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Please refer to Note 10 under Section E - Selected notes to the financial statements of this announcement.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

Please refer to Note 19 under Section E - Selected notes to the financial statements of this announcement.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue decreased by 91.0% or S\$6.46 million, from S\$7.10 million in HY FY2020 to S\$0.64 million in HY FY2021, due mainly to the decrease in sales of our COVID-19 related products which

amounted to S\$0.43 million in HY FY2021, as compared to S\$6.35 million in HY FY2020. The decrease was due to a growing supply of antigen and antibody test kits which led to a highly competitive market under the constraints of intense price competition.

Revenue from the sales of our ClearCell® FX1 system, our CTChip® FR1 biochip and other related services and consumables decreased from S\$0.75 million in HY FY2020 to S\$0.13 million in HY FY2021, while revenue from rendering of laboratory services increased from approximately S\$7,000 in HY FY2020 to S\$0.08 million in HY FY2021.

Other income

Other income decreased by 29.4% or S\$0.08 million, from S\$0.27 million in HY FY2020 to S\$0.19 million in HY FY2021, due mainly to a decrease of S\$0.15 million in government grant income. The decrease was partially offset by a foreign exchange gain of S\$0.07 million as a result of the strengthening of the United States Dollar arising from certain bank balances denominated in United States Dollar.

Changes in inventories

We recorded an increase of S\$0.16 million in the closing balance of our inventories in HY FY2021, as compared to an increase of S\$1.27 million in HY FY2020. The fluctuations in the balance of our inventories were due mainly to the timing of purchase and sale of inventories.

Purchases

Our purchases decreased by 82.6% or S\$4.36 million, from S\$5.28 million in HY FY2020 to S\$0.92 million in HY FY2021, in line with the decrease in sales of our COVID-19 related products during the period.

Employee benefits expense

Employee benefits expense increased by 20.9% or S\$0.14 million, from S\$0.69 million in HY FY2020 to S\$0.83 million in HY FY2021, due mainly to the additional salaries of employees of Biomedics Laboratory Pte Ltd which was acquired in May 2020 of S\$0.09 million.

Depreciation expense

Depreciation expense increased by 20.6% or S\$0.07 million, from S\$0.35 million in HY FY2020 to S\$0.42 million in HY FY2021, due mainly to the depreciation of the plant and equipment and right-of-use assets of Biomedics Laboratory Pte Ltd.

Amortisation expense

Amortisation expense increased by 900.0% or S\$0.18 million, from S\$0.02 million in HY FY2020 to S\$0.20 million in HY FY2021, due mainly to the amortisation of the CAP Accreditation of Biomedics Laboratory Pte Ltd.

Research and development (“R&D”) expense

R&D expense decreased by 20.9% or S\$0.10 million, from S\$0.49 million in HY FY2020 to S\$0.39 million in HY FY2021, due mainly to the reduction in R&D activities during the period.

Other expenses

Other expenses decreased by 38.9% or S\$0.73 million, from S\$1.88 million in HY FY2020 to S\$1.15 million in HY FY2021. The decrease was due mainly to (i) a decrease of S\$0.18 million in professional fees (cash-settled), (ii) a decrease of S\$0.18 million in travelling expenses, (iii) a decrease of S\$0.23 million in logistics costs incurred for the delivery of materials for our COVID-19 related products, and (iv) a foreign exchange gain recognised under other income in HY FY2021 as compared to S\$0.14 million in foreign exchange loss in HY FY2020.

Finance costs

Finance costs increased by 300.0% or S\$0.08 million, from S\$0.03 million in HY FY2020 to S\$0.11 million in HY FY2021, due mainly to the increase of S\$0.05 million in interest expense from the working capital bank loan drawn down in April 2020 and November 2020, and accretion of S\$0.03 million in interest on the deferred consideration payable for the acquisition of Biomedics Laboratory Pte Ltd.

Income tax credit

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

Loss for the period

As a result of the foregoing, loss for the period increased by S\$2.89 million, from S\$0.11 million in HY FY2020 to S\$3.00 million in HY FY2021.

REVIEW OF THE GROUP’S FINANCIAL POSITION

Non-current assets

The Group’s non-current assets decreased by 8.0% or S\$0.46 million, from S\$5.81 million as at 31 December 2020 to S\$5.35 million as at 30 June 2021. This was due mainly to the decrease in plant and equipment, right-of-use assets and intangible assets of S\$0.18 million, S\$0.18 million and S\$0.11 million, respectively, which arose mainly from the depreciation and amortisation charges during the period.

Current assets

The Group’s current assets decreased by 24.9% or S\$3.22 million, from S\$12.95 million as at 31 December 2020 to S\$9.73 million as at 31 December 2021. This was due mainly to a decrease in cash and cash equivalents of S\$3.00 million and a decrease in trade receivables of S\$0.10 million.

Current liabilities

The Group's current liabilities increased by 150.8% or S\$3.45 million, from S\$2.29 million as at 31 December 2020 to S\$5.74 million as at 30 June 2021. This was due mainly to (i) the reclassification of the deferred consideration in relation to the acquisition of Biomedics Laboratory Pte Ltd which shall be paid no later than May 2022 from non-current liabilities, (ii) an increase in current portion of contract liabilities of S\$0.15 million as a result of a secured sales order with delivery date in the second half of FY2021, and (iii) an increase in borrowings of S\$0.14 million comprising the current portion of working capital bank loans. These increases were partially offset by a decrease in other payables of S\$0.36 million.

Non-current liabilities

The Group's non-current liabilities decreased by 50.7% or S\$4.15 million, from S\$8.19 million as at 31 December 2020 to S\$4.04 million as at 30 June 2021. This was due mainly to (i) the reclassification of the deferred consideration in relation to the acquisition of Biomedics Laboratory Pte Ltd which shall be paid no later than May 2022 to current liabilities, (ii) a decrease in borrowings of S\$0.51 million comprising the non-current portion of working capital bank loans, and (iii) a decrease in non-current portion of lease liabilities of S\$0.11 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Operating cash outflow before movements in working capital amounted to S\$1.92 million in HY FY2021. Net cash used for working capital amounted to S\$0.38 million due mainly to (i) an increase in inventories of S\$0.31 million, and (ii) a decrease in other payables of S\$0.37 million, partially offset by (i) a decrease in trade receivables of S\$0.10 million, and (ii) an increase in contract liabilities of S\$0.15 million. As a result, net cash used in operating activities was S\$2.37 million in HY FY2021.

Net cash used in investing activities for HY FY2021 amounted to S\$0.12 million. This was due mainly to (i) additions to plant and equipment of S\$0.03 million, and (ii) additions to intangible assets of S\$0.09 million.

Net cash used in financing activities for HY FY2021 amounted to S\$0.49 million. This was due mainly to payment of S\$0.37 million and S\$0.12 million of the principal portion of borrowings and principal portion of lease liabilities, respectively in HY FY2021.

Exchange effects on cash and cash equivalents for HY FY2021 amounted to S\$0.02 million.

As a result, there was a net decrease in cash and cash equivalents by S\$3.00 million, from S\$10.67 million as at 31 December 2020 to S\$7.67 million as at 30 June 2021.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Company is committed to being highly competitive in its product and service offerings, and in having a growth-focused mindset within the healthcare sector. The Group will continue to focus on products/services that generate economies of scope (i.e. cost and/or operational efficiencies created by dealing with a variety of different synergistic/adjacent products) and expand its sale and distribution of third party medical and healthcare-related products and other technologies within the diagnostic space whilst being organisationally agile.

On the cancer diagnostics front, cancer remains one of the world's biggest medical challenges and the Company's non-invasive liquid biopsy technologies are focused on many critical and unmet medical needs in the cancer diagnostics area that may potentially provide improved outcomes and better clinical management for individual patients. To broaden its market presence, the Company has established various partnerships in Asia, for the development and commercialisation of a wide range of cancer diagnostics solutions, using its ClearCell® FX1 system and CTChip® FR1 biochip.

The global COVID-19 pandemic has had a significant impact on the global economy and businesses, and it has inevitably brought more attention to the healthcare industry. Due to the rapidly evolving nature of the COVID-19 pandemic and as more information and discoveries from research and studies conducted become available, companies involved in the development, supply and distribution of COVID-19 related products are required to keep pace with the latest developments and ensure that their products stay relevant. On this front, the Company aims to provide testing applications at different infection stages of COVID-19 and one of its area of focus is the development of its own neutralising antibody COVID-19 test kit that is embedded with a technology licensed from A*STAR. This neutralising antibody COVID-19 test kit allows for the detection of COVID-19 viral spike/ ACE2 blocking antibodies which may interfere with the ability of the virus to infect the target cells and may provide indication of protective immunity against COVID-19.

However, it is important to note that there is currently little information on the level of antibodies sufficient to confer protective immunity to an individual and how long such protective immunity against COVID-19 may last in an individual. The Company will also continue to actively explore collaborations and partnerships for the development and commercialisation of new technologies and products related to COVID-19.

Leveraging on its CAP accredited clinical laboratory in Singapore that offers a wide range of tests, the Group plans to utilise its proprietary technologies together with the technologies provided by other strategic partners and vendors to differentiate and build new sources of revenue.

The Company will continue to provide timely updates should there be material developments affecting the Group.

11 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Nil

(b) (i) Amount per share

Nil

(ii) Previous corresponding period

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be shared).

Not applicable.

(d) Date the dividend is payable

Not applicable.

(e) Date on which Registrable Transfers received by the Company (up to 5pm) will be registered before entitlements to the dividend are determined

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared by the Company as the Group had incurred losses for HY FY2021.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has obtained a general mandate from shareholders for interested person transactions, which was renewed at the Company's extraordinary general meeting held on 30 April 2021 ("IPT Mandate").

There were no interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920 of the Catalist Rules) and interested person transactions conducted under the IPT Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) during HY FY2021.

14 Negative confirmation by the board pursuant to Rule 705(5)

To the best of the knowledge of the board of directors of the Company ("**Board**"), nothing has come to the attention of the Board which may render the unaudited financial results for HY FY2021 of the Group and the Company to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured the undertakings from all of its directors and executive officers as required under Rule 720(1) of Catalist Rules.

16 Use of IPO proceeds

The Company received net proceeds from the IPO of approximately S\$6.1 million. As at the date of this announcement, the net proceeds have been utilised as follows:

(S\$'000)	Amount allocated (as disclosed in the offer document)	Amount utilised as at the date of this announcement	Balance
Expand our clinical services applications and clinical services customer segment	2,700	2,700	-
Advance our pipeline products	2,400	1,018	1,382
General corporate and working capital purposes ⁽¹⁾	1,000	1,000	-
Total	6,100	4,718	1,382

Note:

(1) Comprises operating expenses.

17 Use of placement shares proceeds

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

As at the date of this announcement, the net proceeds have been utilised as follows:

(S\$'000)	Amount allocated (as disclosed in the placement shares announcement)	Amount utilised as at the date of this announcement	Balance
Expansion of the Group's presence in its existing markets into new market segments, and through establishing new sales channels	1,595	986	609
Expansion of the Company's businesses through investments, mergers and acquisitions, joint ventures and/or strategy collaborations with third parties	792	82	710
General corporate and working capital purposes ⁽¹⁾	711	711	-
Total	3,098	1,779	1,319

Note:

(1) Comprises operating expenses.

18 Disclosure pursuant to Rule 706A of the Catalist Rules

There was no acquisition or sale of shares by the Company during HY FY2021 which requires disclosure pursuant to Rule 706A of the Catalist Rules.

ON BEHALF OF THE BOARD

Yee Pinh Jeremy
Non-Executive Non-Independent Chairman

Leong Yow Seng
Lead Independent Director

13 August 2021