

Company Registration No. 201505187R

3DInfra Pte. Ltd. and its subsidiaries

Annual Financial Statements
31 December 2018



3DInfra Pte. Ltd. and its subsidiaries

General Information

Directors

Matthew James Waterhouse
Khoo Hwi Min

Secretary

Gooi Chi Yih

Registered office

10 Science Park Road
#01-06 The Alpha
Singapore 117684

Bankers

DBS Bank Limited

Auditor

Ernst & Young LLP

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3DInfra Pte. Ltd. and its subsidiaries

Directors' statement

The directors present their statement to the members together with the audited consolidated financial statements of 3DInfra Pte. Ltd. (the "Company") and its subsidiaries (collectively, "the Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2018.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position 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 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) as disclosed in Note 2.1, at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Matthew James Waterhouse
Khoo Hwi Min

Arrangements to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Director's interests in shares and debentures

The following director, 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 and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Matthew James Waterhouse				
<i>Ordinary shares of</i>				
Origo Investments Limited	50	50	—	—
Right Angle Ventures Group				
Pte. Ltd.	—	—	500	500
3D Infra Pte. Ltd.	—	—	150,000	150,000
<i>Share options of</i>				
3D Infra Pte. Ltd.	—	—	80,000	80,000

3DInfra Pte. Ltd. and its subsidiaries

Directors' statement

Director's interests in shares and debentures (cont'd)

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Khoo Hwi Min <i>Share options of</i> 3D Infra Pte. Ltd.	—	—	8,000	8,500

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 at the end of the financial year.

Auditor

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



Matthew James Waterhouse
Director



Khoo Hwi Min
Director

Singapore

31 JUL 2019

3DInfra Pte. Ltd. and its subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2018**

Independent auditor's report to the members of 3DInfra Pte. Ltd. and its subsidiaries

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of 3DInfra Pte. Ltd. ("the Company") and its subsidiaries (collectively, "the Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2018, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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 Financial Reporting Standards in Singapore (FRSs) 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 2018 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 Company 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.

Other information

Management is responsible for other information. The other information comprises the general information and Directors' Statement, 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
For the financial year ended 31 December 2018**

Independent auditor's report to the members of 3DInfra Pte. Ltd. and its subsidiaries

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 FRSs, 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.

3DInfra Pte. Ltd. and its subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2018**

Independent auditor's report to the members of 3DInfra Pte. Ltd. and its subsidiaries

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

- 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 financial statements. We are responsible for the direction, supervision and performance of the 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.

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 subsidiaries corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

31 July 2019

3DInfra Pte. Ltd. and its subsidiaries

Consolidated statement of comprehensive income
For the financial year ended 31 December 2018

	Note	2018 S\$	2017 S\$
Revenue	4	801,633	317,073
Cost of sales		(481,579)	(203,338)
Gross profit		320,054	113,735
Other income	5	457,522	143,000
Depreciation and amortisation		(278,193)	(163,618)
Staff costs		(1,370,292)	(1,198,431)
Operating lease expenses		(262,249)	(426,700)
Legal and professional fees		(73,592)	(77,720)
Other operating expenses		(333,445)	(331,052)
Interest expenses		(57,296)	(9,333)
Loss before income tax	6	(1,597,491)	(1,950,119)
Income tax expense	7	–	–
Net loss for the financial year, representing total comprehensive income for the financial year		(1,597,491)	(1,950,119)

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

3DInfra Pte. Ltd. and its subsidiaries

**Statements of financial position
As at 31 December 2018**

	Note	Group		Company	
		2018 S\$	2017 S\$	2018 S\$	2017 S\$
Non-current assets					
Plant and equipment	8	837,947	371,910	—	—
Intangible assets	9	556,527	252,553	—	—
Investments in subsidiaries	10	—	—	10,000	296,000
Other receivables		36,107	—	—	—
		1,430,581	624,463	10,000	296,000
Current assets					
Amount due from subsidiaries	11	—	—	4,988,292	3,584,871
Trade and other receivables	12	439,535	278,702	—	—
Prepayments		24,499	33,566	—	—
Inventories	13	75,215	80,196	—	—
Cash and cash equivalents	14	89,428	168,359	50,988	53,526
		628,677	560,823	5,039,280	3,638,397
Total assets		2,059,258	1,185,286	5,049,280	3,934,397
Current liabilities					
Trade and other payables	15	1,041,182	433,583	109,587	30,174
Unearned revenue		20,029	—	—	—
Loans and borrowings	16	668,000	700,000	500,000	700,000
		1,729,211	1,133,583	609,587	730,174
Net current (liabilities)/assets		(1,100,534)	(572,760)	4,429,693	2,908,223
Non-current liabilities					
Loans and borrowings	16	1,252,031	490,000	1,014,031	490,000
		1,252,031	490,000	1,014,031	490,000
Total liabilities		2,981,242	1,623,583	1,623,618	1,220,174
Net (liabilities)/assets		(921,984)	(438,297)	3,425,662	2,714,223
Equity attributable to owners of the Company					
Share capital	17	3,550,000	2,600,000	3,550,000	2,600,000
Share-based payment reserves	18	407,138	243,334	407,138	243,334
Accumulated losses		(4,879,122)	(3,281,631)	(531,476)	(129,111)
Total equity		(921,984)	(438,297)	3,425,662	2,714,223
Total equity and liabilities		2,059,258	1,185,286	5,049,280	3,934,397

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

3DInfra Pte. Ltd. and its subsidiaries

**Statements of changes in equity
For the financial year ended 31 December 2018**

Group	Share capital (Note 17) S\$	Share- based payment reserves (Note 18) S\$	Accumulated losses S\$	Total equity S\$
At 1 January 2017	2,100,000	104,180	(1,331,512)	872,668
Loss for the year	—	—	(1,950,119)	(1,950,119)
Issuance of ordinary shares	500,000	—	—	500,000
Share based payment expense	—	139,154	—	139,154
At 31 December 2017 and 1 January 2018	2,600,000	243,334	(3,281,631)	(438,297)
Loss for the year	—	—	(1,597,491)	(1,597,491)
Issuance of ordinary shares	950,000	—	—	950,000
Share based payment expense	—	163,804	—	163,804
At 31 December 2018	3,550,000	407,138	(4,879,122)	(921,984)

Company	Share capital (Note 17) S\$	Share- based payment reserves (Note 18) S\$	Accumulated losses S\$	Total equity S\$
At 1 January 2017	2,100,000	104,180	(74,962)	2,129,218
Loss for the year	—	—	(54,149)	(54,149)
Issuance of ordinary shares	500,000	—	—	500,000
Share based payment expense	—	139,154	—	139,154
At 31 December 2017 and 1 January 2018	2,600,000	243,334	(129,111)	2,714,223
Loss for the year	—	—	(402,365)	(402,365)
Issuance of ordinary shares	950,000	—	—	950,000
Share based payment expense	—	163,804	—	163,804
At 31 December 2018	3,550,000	407,138	(531,476)	3,425,662

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

3DInfra Pte. Ltd. and its subsidiaries

**Consolidated cash flow statement
For the financial year ended 31 December 2018**

	Notes	2018 S\$	2017 S\$
Cash flows from operating activities			
Loss before income tax		(1,597,491)	(1,950,119)
Adjustments for:			
Depreciation of plant and equipment	8	232,169	151,424
Amortisation of intangible assets	9	46,024	12,194
Allowance for doubtful debts	6	16,608	13,536
Share-based compensation expenses	6	163,804	139,154
Operating cash flows before changes in working capital		(1,138,886)	(1,633,811)
Increase in trade and other receivables		(213,548)	(116,335)
Decrease/(increase) in prepayments		9,067	(12,754)
Decrease/(increase) in inventories		4,981	(31,641)
Increase in trade and other payables		607,599	258,515
Increase in unearned revenue		20,029	—
Net cash used in operating activities		(710,758)	(1,536,026)
Cash flows from investing activities			
Purchase of plant and equipment	8	(698,206)	(294,822)
Additions to intangible assets	9	(349,998)	—
Net cash used in investing activities		(1,048,204)	(294,822)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		950,000	500,000
Proceeds from loans and borrowings		730,031	1,190,000
Net cash flows generated from financing activities		1,680,031	1,690,000
Net decrease in cash and cash equivalents		(78,931)	(140,848)
Cash and cash equivalents at beginning of the financial year		168,359	309,207
Cash and cash equivalents at end of the financial year	14	89,428	168,359

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

3DInfra Pte. Ltd. and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2018

1. Corporate information

The Company is a private limited company incorporated in Singapore. The immediate holding company is Right Angle Venture Group Pte Ltd and ultimate holding company is Origo Investment Limited. The registered office and principal place of business of the Company is located at 10 Science Park Road, #01-06, Singapore 117684.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are set out in Note 10 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs").

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

The financial statements are presented in Singapore Dollars ("SGD" or "S\$"), which is also the functional currency of the Company.

Going concern assumption

The Group recorded a net loss of S\$1,597,491 (2017: S\$1,950,119) during the financial year ended 31 December 2018 and as at that date, the Group's current and total liabilities exceeded its current and total assets by S\$1,100,534 (2017: net current liability position of S\$572,760) and S\$921,984 (2017: net total liability position of S\$438,297) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements have been prepared on a going concern on the basis that:

- The related parties to whom the Group owes S\$1,014,031 (2017: S\$490,000) have confirmed in writing that they shall not demand the payment of the amounts due from the Group for a year of at least 12 months from date of approval of the financial report.
- The same related parties have committed themselves as personal guarantor to the remaining loans and borrowings of S\$500,000 (2017: S\$700,000); and
- The Group continues to assess various options for potential investor in the Group.
- The shareholder and director of the Group has agreed to provide continuing financial support to enable the Group to continue as a going concern.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2018. Except for the impact arising from the adoption of FRS 109 and FRS 115 described below, the adoption of these standards did not have any effect on the financial performance or position of the Group.

(a) First time adoption of FRS 109 *Financial Instruments*

On 1 January 2018, the Group adopted FRS 109 *Financial instruments*, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of FRS 109 have been applied retrospectively. The impact arising from FRS 109 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

Classification and measurement

FRS 109 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. Debt instruments that were measured at amortised cost previously are held to collect contractual cash flows, and accordingly measured at amortised cost under FRS 109.

There is no significant impact arising from measurement of the instruments above under FRS 109. The initial application of FRS 109 does not have any reclassification effect to the Company's financial statements.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

(a) First time adoption of FRS 109 *Financial Instruments* (cont'd)

Impairment

FRS 109 requires the Group to record expected credit losses ("ECLs") on all of its financial assets measured at amortised cost or FVOCI. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

The adoption of FRS 109 does not have material impact on the financials of the Group.

(b) First time adoption of FRS 115 *Revenue from Contracts with Customers*

The Group adopted FRS 115 which is effective for annual periods beginning on or after 1 January 2018. The Group applied FRS 115 retrospectively.

The Group is in the business of art and graphic design services, industrial design activities as well as 3D printing services. The adoption of FRS 115 does not have material impact on the financials of the Group.

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:

Description	Effective for annual periods beginning on or after
FRS 116 <i>Leases</i>	1 January 2019
INT FRS 123 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to FRS 109 <i>Prepayment Features with Negative Compensation</i>	1 January 2019

Except for FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below:

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

The Group plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of FRS 116, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) its carrying amount as if FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019;
- (ii) or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. On the adoption of FRS 116, the Group expects to recognise right-of-use assets and lease liabilities for its leases previously classified as operating leases.

2.4 Basis of consolidation and business combinations

(a) 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.

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

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the statement of comprehensive income;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to the statement of comprehensive income or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in the profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the profit or loss on the acquisition date.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill (cont'd)

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

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

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 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 separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.6 Foreign currency

(a) Transactions and balances

Transactions in foreign currencies are measured in the functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the statement of financial position date. 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 determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the statement of financial position date are recognised in the statement of comprehensive income.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their 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.

2. Summary of significant accounting policies (cont'd)

2.7 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 equipment	- 3 years
Furniture and fittings	- 3 years
Office equipment	- 3 years
Plant and machinery	- 3 years
Renovations	- 3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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 or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

Computer software	- 3 years
Research and development	- 5 years

2. Summary of significant accounting policies (cont'd)

2.8 Intangible assets (cont'd)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.9 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 makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and 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 cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets 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 assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2. Summary of significant accounting policies (cont'd)

2.10 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

(i) Amortised cost

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.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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 equity is recognised in the profit or loss.

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

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. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand that are readily convertible to known amount of cash, which are subject to 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 and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When 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.

2. Summary of significant accounting policies (cont'd)

2.14 Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. CPF contributions 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 estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) Employee share based payment compensation

3DInfra Share Option Scheme

For the equity-settled share-based compensation transactions, the value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in the share based payment reserve. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are taken into account when estimating the fair value of the options. The fair value is measured using Black Scholes model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made on the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to share based payment reserve. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

3DInfra Share Plan

Benefits to employees are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted. These are fair valued based on the market price of the entity's shares. This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in share-based payment reserve. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in share-based payment reserve.

2. Summary of significant accounting policies (cont'd)

2.15 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.16 Revenue

Revenue is measured based on the consideration to which the Company 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 Company 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.

Sale of 3D design

The Group supplies 3D design. Revenue is recognised when the design are delivered to the customer.

Sale of 3D design and printing

The Group supplies 3D design and printing services. Revenue is recognised when the 3D products are delivered to the customer.

2.17 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.

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.

(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.

2. Summary of significant accounting policies (cont'd)

2.17 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not in 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, 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.

The carrying amount of deferred tax asset 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.

(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. Summary of significant accounting policies (cont'd)

2.18 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.

2.19 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.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income".

2.20 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 Company; 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 Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company.

3. Significant accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could 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

The directors are of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 Key sources of estimation uncertainty

(a) Impairment of goodwill

As disclosed in Note 9 to the financial statements, the recoverable amounts of the cash generating units which goodwill have been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 9 to the financial statements.

The carrying amount of the goodwill as at 31 December 2018 is S\$241,353 (2017: S\$241,353).

3DInfra Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2018**

4. RevenueDisaggregation of revenue

	2018	Group	2017
	S\$		S\$
<u>Major revenue streams</u>			
Sale of 3D design	25,200		—
Sale of 3D design and printing	776,433		317,073
	801,633		317,073

5. Other income

	2018	Group	2017
	S\$		S\$
Government grants	446,690		138,729
Others	10,832		4,271
	457,522		143,000

6. Loss before income tax

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

	2018	Group	2017
	S\$		S\$
Allowance for doubtful debts	16,608		13,536
Staff costs:			
Salaries	1,059,328		954,858
Central Provident Fund contributions	147,160		104,419
Share-based compensation expenses	163,804		139,154
Foreign exchange loss	1,574		2,502

Notes to the financial statements
For the financial year ended 31 December 2018

7. Income tax expense

Relationship between income tax expense and accounting loss

Reconciliation between income tax expense and the product of loss multiplied by the applicable corporate tax rate for the financial year ended 31 December 2018 and 2017 as follows:

	Group	
	2018	2017
	S\$	S\$
Loss before tax	(1,597,491)	(1,950,119)
Tax benefits at applicable tax rate of 17% (2017: 17%)	(271,573)	(331,520)
Adjustment:		
Non-deductible expenses	27,847	6,656
Deferred tax assets not recognised	243,726	324,864
Income tax expense recognised in the statement of comprehensive income	—	—

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of S\$4,408,375 (2017: S\$2,974,693) that are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the Singapore tax authorities and compliance with provisions of the Singapore tax legislations.

3DInfra Pte. Ltd. and its subsidiaries

Notes to the financial statements
For the financial year ended 31 December 2018

8. Plant and equipment

Group	Computer equipment S\$	Furniture and fittings S\$	Office equipment S\$	Plant and machinery S\$	Renovations S\$	Total S\$
Cost						
At 1 January 2017	60,603	61,547	10,789	99,871	79,720	312,530
Additions	3,778	21,460	14,575	237,839	17,170	294,822
At 31 December 2017 and at 1 January 2018	64,381	83,007	25,364	337,710	96,890	607,352
Additions	21,469	517	240	668,540	7,440	698,206
At 31 December 2018	85,850	83,524	25,604	1,006,250	104,330	1,305,558
Accumulated depreciation						
At 1 January 2017	(29,171)	(18,368)	(2,599)	(28,721)	(5,159)	(84,018)
Depreciation charge for the financial year	(15,148)	(25,397)	(7,293)	(74,325)	(29,261)	(151,424)
At 31 December 2017 and at 1 January 2018	(44,319)	(43,765)	(9,892)	(103,046)	(34,420)	(235,442)
Depreciation charge for the financial year	(19,984)	(23,919)	(7,666)	(147,313)	(33,287)	(232,169)
At 31 December 2018	(64,303)	(67,684)	(17,558)	(250,359)	(67,707)	(467,611)
Net carrying amount						
At 31 December 2018	21,547	15,840	8,046	755,891	36,623	837,947
At 31 December 2017	20,062	39,242	15,472	234,664	62,470	371,910

3DInfra Pte. Ltd. and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 December 2018**

9. Intangible assets

Group	Goodwill S\$	Computer software S\$	Research and development S\$	Total S\$
Cost				
At 1 January 2017, 31 December 2017 and 1 January 2018	241,353	38,080	–	279,433
Additions	–	53,271	296,727	349,998
At 31 December 2018	241,353	91,351	296,727	629,431
Accumulated amortisation				
At 1 January 2017	–	(14,686)	–	(14,686)
Amortisation charge for the financial year	–	(12,194)	–	(12,194)
At 31 December 2017 and 1 January 2018	–	(26,880)	–	(26,880)
Amortisation charge for the financial year	–	(18,541)	(27,483)	(46,024)
At 31 December 2018	–	(45,421)	(27,483)	(72,904)
Net carrying amount				
At 31 December 2018	241,353	45,930	269,244	556,527
At 31 December 2017	241,353	11,200	–	252,553

Goodwill acquired through business combination in 2015 has been allocated to a single Cash Generating Unit (CGU), namely 3D printing business. The recoverable amount of the CGU has been determined based on fair value less cost to sell. The business of this CGU was valued at approximately S\$2,000,000 as of 31 December 2015. On 26 May 2016, the Company has issued additional 104,000 shares at a total consideration of S\$1,300,000 to the investors, which represent 20.6% of interests in 3DInfra Pte Ltd. As at 31 December 2018, the fair value less cost to sell is determined to be higher than the carrying value of the CGU due to on-going negotiation with potential investors at valuation higher than the carrying value. Accordingly, no impairment has been recorded during the year ended 31 December 2018 and 2017.

3DInfra Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2018**

10. Investments in subsidiaries

	Company	
	2018 S\$	2017 S\$
Net book value	10,000	296,000

The investment in 3D Matters Pte Ltd has been fully impaired during the year.

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

Name of Company	Proportion of ownership interest		Country of incorporation	Principal activities
	2018 %	2017 %		
Held by the Company				
3D Matters Pte Ltd ^(a)	100	100	Singapore	Industrial design activities & provision of art and graphic design services
3D Metalforge Pte Ltd ^(a)	100	100	Singapore	Other manufacturing industries, 3D Metal Printing

^(a) Exempted from audit

11. Amount due from subsidiaries

	Company	
	2018 S\$	2017 S\$
Current	4,988,292	3,584,871

The amount due from subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand and in cash.

3DInfra Pte. Ltd. and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 December 2018**

12. Trade and other receivables

	Group		Company	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Trade receivables (current):				
Third parties	296,773	176,132	—	—
Less: Allowance for doubtful Debts	(16,608)	(13,536)	—	—
Other receivables (current):				
Third parties	113,781	9,409	—	—
Sales tax receivables	19,356	24,017	—	—
Refundable deposits	26,233	82,680	—	—
	439,535	278,702	—	—
Other receivables (non-current):				
Refundable deposits	36,107	—	—	—
Total trade and other receivables	475,642	278,702	—	—
Add: Amounts due from subsidiaries (Note 11)	—	—	4,988,292	3,584,871
Add: Cash and cash equivalents (Note 14)	89,428	168,359	50,988	53,526
Less: Sales tax receivables	(19,356)	(24,017)	—	—
Total financial assets carried at amortised cost	545,714	423,044	5,039,280	3,638,397

Trade debtors are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.

Amount due from subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand and in cash.

Receivables that are past due but not impaired

The Group has the following trade receivables 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 2017 S\$
Trade receivables past due but not impaired:	
Less than 90 days	83,885
More than 90 days	48,249
	132,134

3DInfra Pte. Ltd. and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2018

12. Trade and other receivables (cont'd)

Receivables that are impaired

The Company has trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	2017 S\$
Trade receivables – nominal amounts	176,132
Less: Allowance for doubtful debts	(13,536)
	<u>162,596</u>
Movement in allowance for doubtful debts:	
At 1 January	3,897
Write back	(770)
Write-off	(3,127)
Charge for the year (Note 6)	13,536
	<u>13,536</u>
At 31 December	<u>13,536</u>

Expected credit losses

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

	2018 S\$
Movement in allowance accounts:	
At 1 January	13,536
Write-off	(13,536)
Charge for the year (Note 6)	16,608
	<u>16,608</u>
At 31 December	<u>16,608</u>

13. Inventories

	Group 2018 S\$	2017 S\$	Company 2018 S\$	2017 S\$
Consumables	75,215	80,196	–	–

3DInfra Pte. Ltd. and its subsidiaries

**Notes to the financial statements
For the financial year ended 31 December 2018**

14. Cash and cash equivalents

	Group		Company	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Cash on hand	468	55	—	—
Cash at bank	88,960	168,304	50,988	53,526
	89,428	168,359	50,988	53,526

15. Trade and other payables

	Group		Company	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Trade payables	442,331	104,592	—	—
Non-trade payables	268,877	239,187	34,958	841
Accrued payroll	239,084	43,316	—	—
Accrued liabilities	90,890	46,488	74,629	29,333
Total trade and other payables	1,041,182	433,583	109,587	30,174
Add: Loans and borrowings (Note 16)	1,920,031	1,190,000	1,514,031	1,190,000
Total financial liabilities carried at amortised cost	2,961,213	1,623,583	1,623,618	1,220,174

Trade payables are non-interest bearing and are normally settled on 30 days' terms.

Trade payables denominated in foreign currencies as at 31 December are as follows:

	Group		Company	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Denominated in:				
Euro	4,979	17,811	—	—
Sterling Pound	18,825	—	—	—
United States Dollar	66,232	—	—	—

Notes to the financial statements
For the financial year ended 31 December 2018

16. Loans and borrowings

	Group		Company	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Current:				
Amount due to related parties ⁽¹⁾	500,000	200,000	500,000	200,000
Amount due to an external party ^(*)	168,000	500,000	–	500,000
	<u>668,000</u>	<u>700,000</u>	<u>500,000</u>	<u>700,000</u>
Non-current:				
Amount due to related parties ⁽²⁾	1,014,031	490,000	1,014,031	490,000
Amount due to an external party ^(*)	238,000	–	–	–
	<u>1,252,031</u>	<u>490,000</u>	<u>1,014,031</u>	<u>490,000</u>

The current amount due to related parties ⁽¹⁾ are repayable on demand, secured by personal guarantees from the related parties ⁽¹⁾ and bears interest at 8% per annum.

The non-current amount due to related parties is unsecured, interest-free and is not expected to be repaid within the next 12 months, as disclosed in Note 2.1.

The non-current amount due to an external party ^(*) is unsecured and covered by a corporate guarantee by certain subsidiary and repayable in 30 (2017: Nil) monthly instalments.

⁽¹⁾ The related parties refer to the shareholder of one of the corporate shareholders of the Company and Chief Operating Officer of the Company's subsidiaries.

⁽²⁾ The related parties are the shareholders of the ultimate holding company of the Company.

A reconciliation of liabilities arising from financing activities is as follows:

	2017	Cash Flows	2018
	S\$	S\$	S\$
Share capital	2,600,000	950,000	3,550,000
Amount due to related parties (current)	200,000	300,000	500,000
Amount due to an external party (current)	500,000	(332,000)	168,000
Amount due to related parties (non-current)	490,000	524,031	1,014,031
Amount due to an external party (non-current)	–	238,000	238,000
Total loans and borrowings	<u>3,790,000</u>	<u>1,680,031</u>	<u>5,470,031</u>

3DInfra Pte. Ltd. and its subsidiaries

Notes to the financial statements For the financial year ended 31 December 2018

17. Share capital

	Group and Company			
	2018		2017	
	No. of shares	S\$	No. of shares	S\$
Issued and fully paid ordinary shares:				
Balance at beginning of the financial year	535,500	2,600,000	504,000	2,100,000
Share issuance during the financial year	56,525	950,000	31,500	500,000
At 31 December	592,025	3,550,000	535,500	2,600,000

18. Share-based compensation

	Group		Company	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
<u>Share-based payment reserve</u>				
Balance at beginning of the year	243,334	104,180	243,334	104,180
Expense recognised in profit of loss - 3DInfra Share Plan	163,804	140,000	—	—
Expense recognised in profit of loss - 3DInfra Share Option Scheme	—	(846)	—	—
Charged to a subsidiary	—	—	163,804	139,154
Balance at end of the year	407,138	243,334	407,138	243,334

3DInfra Share Plan

In 2016, the Company introduced 3DInfra Share Plan, which issues shares to eligible employees and directors upon achieving specific performance target and employees satisfying certain performance conditions and remain in the employment at the share issuance date.

Under the plan, granting of such awards is subject to sole discretion of a committee (the "Committee") that is duly authorised and appointed by the board of directors. Nevertheless, the aggregate number of shares which may be issued by the Committee on any date, when added to the aggregate number of shares issued or issuable in respect of all awards granted under the 3DInfra Share Plan and all other share-based incentive schemes of the Company, shall not exceed 20% of the total number of issued shares on the day immediately preceding the relevant date of grant.

The fair value of the awards granted was based on the most recent transacted price of the Company's shares.

3DInfra Pte. Ltd. and its subsidiaries**Notes to the financial statements
For the financial year ended 31 December 2018****18. Share-based compensation (cont'd)****3DInfra Share Plan (cont'd)**

The table below summarises the number of performance shares that were outstanding, as well as the movement during the reporting year.

Grant date	Group and Company			Fair value of shares granted during the year S\$
	No. of performance shares outstanding as at beginning of the year	No. of performance shares granted during the year	No. of performance shares outstanding as at end of year	
1 January 2016	100,000	—	100,000	5.00
1 December 2016	16,000	—	16,000	12.50
1 March 2018	—	9,000	9,000	15.87
	<u>116,000</u>		<u>125,000</u>	

3DInfra Share Option Scheme

In 2016, the Company also introduced 3DInfra Share Option Scheme which grants right to subscribe shares to eligible employees and directors upon achieving specific performance target and employees satisfying certain performance conditions and remain in the employment at the end of exercise period. The options are exercisable within the next five years.

Under the plan, granting of such options is subject to sole discretion of a committee (the "Committee") that is duly authorised and appointed by the board of directors. Nevertheless, the aggregate number of shares over which the Committee may offer to grant options on any date, when added to the aggregate number of shares issued or issuable in respect of all options granted under the 3DInfra Share Option Scheme of the Company, shall not exceed 20% of the total number of issued shares on the day immediately preceding the relevant date of grant.

The shares were forfeited as at 31 December 2017.

Notes to the financial statements
For the financial year ended 31 December 2018

19. Related party transactions

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 at terms agreed between the parties during the financial period.

Compensation by key management personnel

	Group	
	2018	2017
	S\$	S\$
Short-term benefits	180,000	229,455
Central Provident Fund contribution	12,383	21,244
Share-based payment expenses	103,000	119,000
	<hr/>	<hr/>
	295,383	369,699
	<hr/>	<hr/>

Key management personnel of the Group and the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company. The directors are considered key management personnel of the Group and the Company.

20. Commitments

Operating lease commitments - As lessee

The Group has entered into commercial leases on its offices and machines. These leases have an average life of between 1 and 3 years with no renewal option included in the contracts. There are no restrictions placed upon the group by entering into these leases. Minimum lease payments recognised as an expense in profit or loss for the financial period ended 31 December 2018 amounted to S\$262,249 (2017: S\$426,700).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	2018	2017
	S\$	S\$
Not later than one year	376,488	443,081
Later than one year but not later than five years	391,964	339,936
	<hr/>	<hr/>
	768,452	783,017
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21. Financial risk management objectives and policies

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

The Group's and Company's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

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 exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

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. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of management.

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 90 days when they fall due, which are derived based on the Company's historical information.

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

- There is significant difficulty of the issuer or 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; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments and in significant financial difficulties. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Notes to the financial statements
For the financial year ended 31 December 2018

21. Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade and other receivables

The Group provides for lifetime expected credit losses for all trade and other receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 31 December 2018 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions and expected inflation rates.

Summarised below is the information about the credit risk exposure on the Group's trade and other receivables using provision matrix:

31 December 2018	Current	Less than 90	More than 90	Total
	S\$	days past due	days past due	S\$
		S\$	S\$	
Gross carrying amount representing trade receivables	84,586	131,734	80,453	296,773
Loss allowance provision	—	—	(16,608)	(16,608)

Information regarding loss allowance movement of trade receivables are disclosed in Note 12.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Notes to the financial statements
For the financial year ended 31 December 2018

21. Financial risk management objectives and policies (cont'd)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12.

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 adopts a prudent liquidity management policy and aims to maintain sufficient liquidity and cash flow at all times. Where additional funding is required, the Group shall raise such additional funding by way of loans from banks or other third parties on the best available commercial terms and the shareholders shall provide all reasonable assistance to the Group in obtaining such loans.

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

Group	2018			2017		
	One year or less S\$	More than one year S\$	Total S\$	One year or less S\$	More than one year S\$	Total S\$
Financial liabilities:						
Trade payables	442,331	—	442,331	104,592	—	104,592
Non-trade payables	268,877	—	268,877	239,187	—	239,187
Accrued payroll	239,084	—	239,084	43,316	—	43,316
Accrued liabilities	90,890	—	90,890	46,488	—	46,488
Loans and borrowings	668,000	1,252,031	1,920,031	700,000	490,000	1,190,000
Total undiscounted financial liabilities	1,709,182	1,252,031	2,961,213	1,133,583	490,000	1,623,583

Company	2018			2017		
	One year or less S\$	More than one year S\$	Total S\$	One year or less S\$	More than one year S\$	Total S\$
Financial liabilities:						
Non-trade payables	34,958	—	34,958	841	—	841
Accrued liabilities	74,629	—	74,629	29,333	—	29,333
Loans and borrowings	500,000	1,014,031	1,514,031	700,000	490,000	1,190,000
Total undiscounted financial liabilities	609,587	1,014,031	1,623,618	730,174	490,000	1,220,174

22. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may obtain new borrowings.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, other payables, and other liabilities less cash and cash equivalents. Capital includes deficit attributable to the equity holders of the Group and loans from shareholders.

23. Financial instruments

(a) Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation at fair value

Management has determined that the carrying amounts of cash and cash equivalents, current trade and other receivables and current trade and other payables and amounts due from subsidiaries (current), reasonably approximate their fair values because these are mostly short-term in nature.

24. Going concern

Note 2.1 to the consolidated financial statements discloses all of the matters that are relevant to the Group's ability to continue as a going concern, including significant conditions and events, plans for future action, and the feasibility of those plans.

25. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 31 July 2019.