Company Registration No. 201505187R

# 3DInfra Pte. Ltd. and its subsidiaries

Annual Financial Statements
31 December 2019

Building a better
working world

## General information

### Directors

Matthew James Waterhouse
Khoo Hwi Min
Spence David Michael (Appointed on 12 March 2020)

### 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**

**Independent auditor's report**
**For the financial year ended 31 December 2019**

**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 financial statements of 3DInfra Pte. Ltd. ("the Company") and its subsidiaries (collectively, "the Group"), which comprise the statements of financial position of the Group as at 31 December 2019, the statements of changes in equity of the Group and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### Basis for opinion

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

### Material Uncertainty Related to Going Concern

The Group incurred a net loss of S$2,037,531 for the financial year ended 31 December 2019. As at that date, the Group's current liabilities and total liabilities exceeded its current assets and total assets by S$2,423,742 and S$2,245,308 respectively. In addition, the net cash outflows from operating activities for the financial year ended on 31 December 2019 amounted to S$752,402. These factors indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern.

Notwithstanding the above, the consolidated financial statements of the Group are prepared on a going concern basis. As stated in Note 2.2 , the ability of the Group to continue as a going concern depends on the successful fund raising via an Initial Public Offering or other means and/or continuing support from certain shareholders who undertake not to recall amounts due to them within the next 12 months from the date of the auditor's report and to provide continuing financial support to enable the Group to continue as a going concern.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to reclassify non-current assets and non-current liabilities as current assets and current liabilities. No such adjustments have been made to these financial statements. Our opinion is not modified in this respect of this matter.

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

## Other information

Management is responsible for other information.

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.

## 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 judgment 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.

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

- 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.

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

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

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

### Report on other legal and regulatory requirements

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

### Restriction on Distribution and Use

This report is made solely to you as a body and for the proposed offering of the shares of the parent of the Company, 3D Metalforge Limited in connection with its listing on the Australian Stock Exchange.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

1 December 2020

**3DInfra Pte. Ltd. and its subsidiaries**

**Consolidated statement of comprehensive income**
**For the financial year ended 31 December 2019**

| | Note | 2019 S$ | 2018 S$ |
|---|---|---|---|
| **Items of income** | | | |
| Revenue | 4 | 1,317,867 | 801,633 |
| Other income | 5 | 119,506 | 457,522 |
| **Items of expenses** | | | |
| Reversal/(allowance) for doubtful trade debts | | 789 | (16,608) |
| Depreciation and amortisation | | (797,585) | (281,379) |
| Cost of materials | | (376,288) | (481,579) |
| Staff costs | 6 | (1,501,004) | (1,370,292) |
| Legal and professional fees | | (53,319) | (73,592) |
| Other operating expenses | | (629,546) | (579,086) |
| Interest expenses | | (117,951) | (60,069) |
| **Loss before income tax** | 7 | (2,037,531) | (1,603,450) |
| Income tax expenses | 8 | – | – |
| **Loss for the year** | | (2,037,531) | (1,603,450) |
| **Other comprehensive income:** | | | |
| **Items that may be reclassified subsequently to profit or loss** | | | |
| Foreign currency translation | | 15,435 | – |
| **Total comprehensive income for the year, net of tax** | | (2,022,096) | (1,603,450) |

*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 2019**

| | Note | Group 2019 S$ | Group 2018 S$ |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 9 | 1,528,650 | 812,552 |
| Intangible assets | 11 | 634,680 | 556,527 |
| Other receivables | | 33,527 | 36,107 |
| | | 2,196,857 | 1,405,186 |
| **Current assets** | | | |
| Inventories | 13 | 54,313 | 75,215 |
| Trade and other receivables | 12 | 197,771 | 439,535 |
| Prepayments | | 41,966 | 24,499 |
| Cash and cash equivalents | 14 | 50,904 | 89,428 |
| | | 344,954 | 628,677 |
| **Total assets** | | 2,541,811 | 2,033,863 |
| **Current liabilities** | | | |
| Trade and other payables | 15 | 1,215,740 | 997,887 |
| Finance lease obligations | | – | 155,165 |
| Lease liabilities | 10 | 615,558 | – |
| Deferred revenue | | – | 20,029 |
| Loans and borrowings | 16 | 937,398 | 557,296 |
| | | 2,768,696 | 1,730,377 |
| **Net current liabilities** | | (2,423,742) | (1,101,700) |
| **Non-current liabilities** | | | |
| Lease liabilities | 10 | 687,855 | – |
| Finance lease obligations | | – | 217,398 |
| Loans and borrowings | 16 | 1,330,568 | 1,014,031 |
| | | 2,018,423 | 1,231,429 |
| **Total liabilities** | | 4,787,119 | 2,961,806 |
| **Net liabilities** | | (2,245,308) | (927,943) |
| **Equity attributable to owners of the Company** | | | |
| Share capital | 17 | 4,092,380 | 3,550,000 |
| Accumulated losses | | (6,922,612) | (4,885,081) |
| Share-based payment reserves | 18 | 600,359 | 407,138 |
| Translation reserves | 19 | (15,435) | – |
| **Total equity** | | (2,245,308) | (927,943) |
| **Total equity and liabilities** | | 2,541,811 | 2,033,863 |

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

**Statements of changes in equity**
**For the financial year ended 31 December 2019**

| Group | Share capital (Note 17) S$ | Share-based payment reserves (Note 18) S$ | Accumulated losses S$ | Translation reserves (Note 19) S$ | Total equity S$ |
|---|---|---|---|---|---|
| **At 1 January 2018** | 2,600,000 | 243,334 | (3,281,631) | – | (438,297) |
| Loss for the year | – | – | (1,603,450) | – | (1,603,450) |
| Issuance of ordinary shares | 950,000 | – | – | – | 950,000 |
| Share based payment expenses | – | 163,804 | – | – | 163,804 |
| **At 31 December 2018 and 1 January 2019** | 3,550,000 | 407,138 | (4,885,081) | – | (927,943) |
| Loss for the year | – | – | (2,037,531) | – | (2,037,531) |
| Issuance of convertible preference shares | 542,380 | – | – | – | 542,380 |
| Share based payment expenses | – | 193,221 | – | – | 193,221 |
| Foreign currency translation | – | – | – | (15,435) | (15,435) |
| **At 31 December 2019** | 4,092,380 | 600,359 | (6,922,612) | (15,435) | (2,245,308) |

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

## Consolidated cash flow statement
## For the financial year ended 31 December 2019

| | Notes | 2019<br>S$ | 2018<br>S$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss before tax | | (2,037,531) | (1,603,450) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | | 234,552 | 235,355 |
| Depreciation of right-of-use assets | 10 | 465,639 | – |
| Amortisation of intangible assets | 11 | 97,394 | 46,024 |
| Interest expenses | | 117,951 | 60,069 |
| (Reversal)/allowance for doubtful trade debts | 12 | (789) | 16,608 |
| Share based compensation expenses | 7 | 193,221 | 163,804 |
| Exchange differences | | (15,435) | – |
| **Operating cash flows before changes in working capital** | | (944,998) | (1,081,590) |
| Decrease/(increase) in: | | | |
| Trade and other receivables | | 245,133 | (213,548) |
| Prepayments | | (17,467) | 9,067 |
| Inventories | | 20,902 | 4,981 |
| (Decrease)/increase in: | | | |
| Trade and other payables | | (35,943) | 511,007 |
| Deferred revenue | | (20,029) | 20,029 |
| **Net cash flows used in operating activities** | | (752,402) | (750,054) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | (23,062) | (296,207) |
| Additions to intangible assets | 11 | (175,547) | (349,998) |
| **Net cash used in investing activities** | | (198,609) | (646,205) |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of convertible preference shares | 17 | 542,380 | – |
| Proceeds from issuance of ordinary shares | 17 | – | 950,000 |
| Proceeds from bank loans and external borrowings | | 716,000 | 381,328 |
| Payment of finance lease obligations | | – | (14,000) |
| Payment of external borrowings | | (59,000) | – |
| Payment of bank loans | | (36,106) | – |
| Payment of lease liabilities | 10 | (250,787) | – |
| **Net cash flows generated from financing activities** | | 912,487 | 1,317,328 |
| **Net decrease in cash and cash equivalents** | | (38,524) | (78,931) |
| Cash and cash equivalents at beginning of the financial year | | 89,428 | 168,359 |
| **Cash and cash equivalents at end of the financial year** | 14 | 50,904 | 89,428 |

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

## 1. Corporate information

The Company is a private limited company incorporated in Singapore. The ultimate holding company is Origo Investment Limited and the immediate holding company is Right Angle Venture Group Pte. Ltd. In addition, the Company also has a number of existing non-controlling shareholders.

The registered office and principal place of business of the Company is located at 10 Science Park Road, #01-06 The Alpha, Singapore 117684.

The principal activity of the Company is that of an investment holding company. There has been no significant changes in the nature of these activities during the year.

## 2. Summary of significant accounting policies

### 2.1 *Basis of preparation*

The consolidated financial statements of the Group 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 Group.

***Going concern assumption***

The Group incurred a net loss of S$2,037,531 (2018: S$1,603,450) for the financial year ended 31 December 2019. As at that date, the Group’s current liabilities and total liabilities exceeded its current assets and total assets by S$2,423,742 and S$2,245,308 (2018: S$1,101,700 and S$927,943) respectively. In addition, the net cash outflows from operating activities for the financial year ended on 31 December 2019 amounted to S$752,402 (2018: S$750,054). These factors indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern.

Notwithstanding the above, the consolidated financial statements of the Group are prepared on a going concern basis. The ability of the Group to continue as a going concern depends on the successful fund raising via an Initial Public Offering or other means and/or continuing support from certain shareholders who undertake not to recall amounts due to them within the next 12 months from the date of the auditor’s report and to provide continuing financial support to enable the Group to continue as a going concern.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to reclassify non-current assets and non-current liabilities as current assets and current liabilities. No such adjustments have been made to these financial statements. Our opinion is not modified in this respect of this matter.

## 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 2019, including FRS 116 *Leases*. Except for the adoption of FRS 116 *Leases* described below, the adoption of these standards did not have any material impact on the financial performance or position of the Group.

***FRS 116 Leases***

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under FRS 116 is substantially unchanged from FRS1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in FRS1-17.

The Group adopted FRS 116 using the modified retrospective approach, with the date of initial application of 1 January 2019. Upon the adoption, the Group applied a single recognition and measurement approach for all leases. The standard provides specific transition requirements and practical expedients, which have been applied by the Group. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2.15.

**Leases previously classified as finance leases**

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under SFRS(I) 1-17). The requirements of SFRS(I) 16 were applied to these leases from 1 January 2019.

**Leases previously accounted for as operating leases**

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

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

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

### 2.2 *Changes in accounting policies (cont'd)*

***FRS 116 Leases (cont'd)***

Based on the above, as at 1 January 2019:

- Right-of-use assets of S$239,989 were recognised and presented within property, plant and equipment.
- Additional lease liabilities of S$239,989 were recognised.

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

| | **2019** |
|---|---|
| | S$ |
| Operating lease commitments as at 31 December 2018 | 376,452 |
| Less: Commitments relating to short-term leases | (123,444) |
| | 253,008 |
| Weighted average incremental borrowing rate | 4.25% |
| Discounted operating lease commitments as at 1 January 2019 | 239,989 |
| Add: Commitment relating to leases previously classified as finance lease obligation | 372,563 |
| Lease liabilities as at 1 January 2019 | 612,552 |

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

### 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** |
|---|---|
| Amendments to FRS 103 *Definition of Business* | 1 January 2020 |
| Amendments to FRS 1 and FRS 8 *Definition of Material* | 1 January 2020 |
| Amendments to FRS 109, FRS 39 and FRS 107 *Interest Rate Benchmark Reform* | 1 January 2020 |
| Amendment to FRS 116 *Covid-19-Related Rent Concessions* | 1 June 2020 |
| Amendments to FRS 109, FRS 39, FRS 107, FRS 104, FRS 116 *– Interest Rate Benchmark Reform – Phase 2* | 1 January 2021 |
| Amendments to FRS 103 *References to the Conceptual Framework* | 1 January 2022 |
| Amendments to FRS 16 *Property, Plant and Equipment – Proceeds before Intended Use* | 1 January 2022 |
| Amendments to FRS 37 *Onerous Contracts – Cost of Fulfilling a Contract* | 1 January 2022 |
| Annual Improvements to FRSs 2018-2020 | 1 January 2022 |
| Amendments to FRS 1 *Classification of Liabilities as Current or Non-current* | 1 January 2023 |
| FRS 117 *Insurance Contracts* | 1 January 2023 |
| Amendments to FRS 110 and FRS 28 *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture* | Date to be determined |

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

### 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.

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)*

#### (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.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

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.

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.

### 2.6 *Foreign currency*

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

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

2.6 ***Foreign currency (cont'd)***

(a) ***Transactions and balances***

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

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

(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 weighted average exchange rates for the year. 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.

2.7 ***Property, plant and equipment***

All items of property, 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:

| | | |
|---|---|---|
| Office premises | - | 3 years |
| 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 property, 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 property, plant and equipment is de-recognised 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 de-recognised.

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

### 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 |
| Development costs | - | 5 years |

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 de-recognised.

### 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.

Impairment losses relating to goodwill cannot be reversed in future periods.

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

### 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

***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 de-recognised or impaired, and through amortisation process.

**De-recognition**

A financial asset is de-recognised 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.

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

### 2.10 *Financial instruments (cont'd)*

#### (b) *Financial liabilities (cont'd)*

***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 de-recognised, 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. On de-recognition, the difference between the carrying amounts and consideration paid is recognised in profit or loss.

### 2.11 *Impairment of financial assets*

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

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

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

The Group considers a financial asset in default when contractual payments are 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, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

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

### 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 in provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

### 2.14 *Employee benefits*

#### (a) *Defined contribution plans*

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

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The 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 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''). This share-based payment expenses are charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in share-based payment reserves. 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 reserves.

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

### 2.15 *Leases*

***As lessee***

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

(a) ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| | | |
|---|---|---|
| Office premises | - | 3 years |
| Plant and equipment | - | 3 years |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

(b) ***Lease liabilities***

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

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

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

### 2.16 ***Revenue***

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

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

(a) ***Sale of 3D design***

The Group supplies 3D design. Revenue is recognised at a point in time when the designs are delivered to the customer.

(b) ***Sale of 3D design and printing***

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

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

### 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, in the countries where the Group operates and generates taxable income.

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

#### (b) *Deferred tax*

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

Deferred tax liabilities are recognised for all temporary differences except:

- Where the deferred tax liability arises from the initial recognition of goodwill or 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; and

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

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

### 2.17 *Taxes (cont'd)*

(b) ***Deferred tax (cont'd)***

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.

### 2.18 *Provisions*

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

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

2.19 ***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.

The convertible preference shares are classified as equity. The preference shares have no fixed dividend payout and they cannot be disposed without the concurrent sale and/or transfer of the ordinary shares. Incremental costs directly attributable to the issuance of new preference shares are deducted against share capital.

2.20 ***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".

2.21 ***Contingencies***

A contingent liability is:

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

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

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

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

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

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

## 3. Significant accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, 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 *Judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgment which is expected to have a significant effect on the amounts recognised in the consolidated financial statements.

### 3.2 *Key sources of estimation uncertainty*

***Determination of useful lives of property, plant and equipment***

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. Management estimates the useful lives of these property, plant and equipment to be within 3 years. The carrying amount of the Company's property, plant and equipment as at 31 December 2019 was S$1,528,650 (2018: S$812,552).

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. If the economic useful life of property, plant and equipment had been 1 year longer/shorter than management's estimate, the depreciation expense would be lower/higher by S$59,000.

## 4. Revenue

***Disaggregation of revenue***

| | Group 2019 S$ | Group 2018 S$ |
|---|---|---|
| *Revenue streams:* | | |
| Sale of 3D design | 76,392 | 25,200 |
| Sale of 3D design and printing | 1,241,475 | 776,433 |
| | 1,317,867 | 801,633 |
| *Timing of transfer of goods or services:* | | |
| At a point in time | 1,317,867 | 801,633 |
| *Primary geographical markets:* | | |
| Singapore | 922,094 | 798,611 |
| United States | 392,944 | 255 |
| Canada | 2,238 | – |
| Germany | – | 2,117 |
| Malaysia | 591 | 650 |
| | 1,317,867 | 801,633 |

## 5. Other income

| | Group 2019 S$ | Group 2018 S$ |
|---|---|---|
| Government grants | 106,889 | 447,280 |
| Others | 12,617 | 10,242 |
| | 119,506 | 457,522 |

## 6. Staff costs

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| Salaries, wages and benefits (including CPF contributions) | 1,307,783 | 1,206,488 |
| Share-based compensation expenses | 193,221 | 163,804 |
| | 1,501,004 | 1,370,292 |

Included in staff costs of S$1,501,004 (2018: S$1,370,292) is directors' remuneration comprising salaries, wages and benefits of S$180,000 and CPF contributions of S$12,375 (2018: salaries, wages and benefits of S$180,000 and CPF contributions of S$12,383).

## 7. Loss before income tax

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

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| Depreciation of property, plant and equipment | 234,552 | 235,355 |
| Depreciation of right-of-use assets | 465,639 | – |
| Amortisation of intangible assets | 97,394 | 46,024 |
| Utility charges | 38,564 | 24,808 |
| Foreign exchange (gain)/loss, net | (3,365) | 2,144 |
| Expenses relating to short-term leases | 123,444 | 193,821 |
| Interest expenses | 117,951 | 60,069 |
| Share-based compensation expenses | 193,221 | 163,804 |
| (Reversal)/allowance for doubtful trade debts | (789) | 16,608 |
| Advertisement and exhibition costs | 51,522 | 41,984 |
| Stationery and office-related expenses | 17,092 | 22,058 |
| Software subscription fees | 57,732 | 78,280 |
| Repair and maintenance | 58,591 | 19,768 |
| Research and development costs | 416,542 | 161,835 |

Included in other operating expenses and staff costs is startup cost of S$294,981 (2018: Nil). The non-recurring startup cost was incurred in order to set up a subsidiary in the United States.

## 8. Income tax expenses

***Relationship between income tax expenses and accounting loss***

Reconciliation between income tax expenses and the product of accounting loss multiplied by the applicable corporate tax rate for the financial year ended 31 December 2019 and 2018 as follows:

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| Loss before income tax | (2,037,531) | (1,603,450) |
| Tax at the domestic rates applicable to profits in the countries where the Group operates | (346,380) | (272,586) |
| Adjustments: | | |
| Non-deductible expenses | 147,355 | 28,860 |
| Deferred tax assets not recognised | 199,025 | 243,726 |
| Income tax expenses recognised in profit or loss | – | – |

***Unrecognised tax losses***

At the end of the reporting period, the Group has deferred tax assets of approximately S$5,988,148 (2018: S$4,817,412) 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 deferred tax assets is subject to the agreement of tax authority and compliance with certain provisions of the tax legislation.

## 9. Property, plant and equipment

| Group | Office premises S$ | Computer equipment S$ | Furniture and fittings S$ | Office equipment S$ | Plant and machinery S$ | Renovations S$ | Total S$ |
|---|---|---|---|---|---|---|---|
| ***Cost*** | | | | | | | |
| At 1 January 2018 | – | 64,381 | 83,007 | 25,364 | 337,710 | 96,890 | 607,352 |
| Additions during the year | – | 21,469 | 517 | 240 | 646,331 | 7,440 | 675,997 |
| At 31 December 2018 and 1 January 2019 | – | 85,850 | 83,524 | 25,604 | 984,041 | 104,330 | 1,283,349 |
| Impact upon adoption of FRS 116 *Leases* | 239,989 | – | – | – | – | – | 239,989 |
| Additions during the year | – | 900 | – | – | 1,158,730 | 16,670 | 1,176,300 |
| At 31 December 2019 | 239,989 | 86,750 | 83,524 | 25,604 | 2,142,771 | 121,000 | 2,699,638 |
| ***Accumulated depreciation*** | | | | | | | |
| At 1 January 2018 | – | (44,319) | (43,765) | (9,892) | (103,046) | (34,420) | (235,442) |
| Charge for the year | – | (19,984) | (23,919) | (7,666) | (150,499) | (33,287) | (235,355) |
| At 31 December 2018 and 1 January 2019 | – | (64,303) | (67,684) | (17,558) | (253,545) | (67,707) | (470,797) |
| Charge for the year | (82,282) | (11,899) | (13,643) | (6,451) | (553,983) | (31,933) | (700,191) |
| At 31 December 2019 | (82,282) | (76,202) | (81,327) | (24,009) | (807,528) | (99,640) | (1,170,988) |
| ***Net carrying amount*** | | | | | | | |
| At 31 December 2019 | 157,707 | 10,548 | 2,197 | 1,595 | 1,335,243 | 21,360 | 1,528,650 |
| At 31 December 2018 | – | 21,547 | 15,840 | 8,046 | 730,496 | 36,623 | 812,552 |

During the year, the Company acquired property, plant and equipment with an aggregate cost of S$23,062 (2018: S$296,207). The remaining amounts were held under finance leases (2018: under finance leases) as at year end.

## 10. Right-of-use assets and lease liabilities

### *Right-of-use assets*

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class in property, plant and equipment line item.

As at 31 December 2018, property, plant and machinery with an aggregate cost of S$397,790 were acquired under finance lease arrangement. On 1 January 2019, the same sum was classified as right-of-use assets.

The Group has lease contracts for office premises as well as plant and machinery used in its operations. The leases for office premises as well as plant and machinery generally have lease terms of approximately 3 years.

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

| | **Office premises** S$ | **Plant and machinery** S$ | **Total** S$ |
|---|---|---|---|
| ***Cost*** | | | |
| At 1 January 2019 | – | 397,790 | 397,790 |
| Impact upon adoption of FRS 116 *Leases* | 239,989 | – | 239,989 |
| At 1 January 2019 (restated) | 239,989 | 397,790 | 637,779 |
| Additions during the year | – | 1,153,238 | 1,153,238 |
| At 31 December 2019 | 239,989 | 1,551,028 | 1,791,017 |
| ***Accumulated depreciation*** | | | |
| At 1 January 2019 | – | (26,519) | (26,519) |
| Charge for the year | (82,282) | (383,357) | (465,639) |
| At 31 December 2019 | (82,282) | (409,876) | (492,158) |
| ***Net carrying amount*** | | | |
| At 31 December 2019 | 157,707 | 1,141,152 | 1,298,859 |

## 10. Right-of-use assets and lease liabilities (cont'd)

***Lease liabilities***

On 1 January 2019, upon adoption of FRS 116 *Leases*, the finance lease obligations of S$372,563 were reclassified to lease liabilities. The impact is disclosed in Note 2.2.

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

| | **Office premises** S$ | **Plant and machinery** S$ | **Total** S$ |
|---|---|---|---|
| ***Lease liabilities*** | | | |
| At 1 January 2019 | – | – | – |
| Impact upon adoption of FRS 116 *Leases* | 239,989 | 372,563 | 612,552 |
| At 1 January 2019 (restated) | 239,989 | 372,563 | 612,552 |
| Additions during the year | – | 1,153,238 | 1,153,238 |
| Accretion of interest | 8,673 | 42,865 | 51,538 |
| Payments | (87,633) | (163,154) | (250,787) |
| Reclassification to other payables (Note 15) | – | (263,128) | (263,128) |
| At 31 December 2019 | 161,029 | 1,142,384 | 1,303,413 |

The following is presented in the statements of financial position:

| | **2019** S$ |
|---|---|
| Current | 615,558 |
| Non-current | 687,855 |
| | 1,303,413 |

The amount recognised in profit or loss is as follows:

| | **2019** S$ |
|---|---|
| Depreciation expense of right-of-use assets | 465,639 |
| Interest expense on lease liabilities | 51,538 |
| Total amount recognised in profit or loss | 517,177 |

## 11. Intangible assets

| Group | Goodwill | Computer software | Development costs | Total |
|---|---|---|---|---|
| | S$ | S$ | S$ | S$ |
| ***Cost*** | | | | |
| At 1 January 2018 | 241,353 | 38,080 | – | 279,433 |
| Additions during the year | – | 53,271 | 296,727 | 349,998 |
| At 31 December 2018 and 1 January 2019 | 241,353 | 91,351 | 296,727 | 629,431 |
| Additions during the year | – | 3,139 | 172,408 | 175,547 |
| At 31 December 2019 | 241,353 | 94,490 | 469,135 | 804,978 |
| ***Accumulated amortisation*** | | | | |
| At 1 January 2018 | – | (26,880) | – | (26,880) |
| Charge for the year | – | (18,541) | (27,483) | (46,024) |
| At 31 December 2018 and 1 January 2019 | – | (45,421) | (27,483) | (72,904) |
| Charge for the year | – | (22,348) | (75,046) | (97,394) |
| At 31 December 2019 | – | (67,769) | (102,529) | (170,298) |
| ***Net carrying amount*** | | | | |
| At 31 December 2019 | 241,353 | 26,721 | 366,606 | 634,680 |
| At 31 December 2018 | 241,353 | 45,930 | 269,244 | 556,527 |

Goodwill relates to the 3D printing business that was acquired through business combination and the useful life is indefinite.

Computer software relates to acquired computer software licenses and the useful life is estimated to be 3 years. The remaining amortisation period life is 2 years

Development costs relate to ongoing development projects intended to generate future economic benefits and the useful life is estimated to be 5 years. The remaining amortisation period life is between 3 and 4 years.

## 11. Intangible assets (cont'd)

***Impairment testing of goodwill***

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 ("FVLCD").

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| Goodwill | 241,353 | 241,353 |

The Company conducted an impairment analysis whereby the carrying value was compared to the CGU's recoverable amount which was determined to be its FVLCD at balance sheet date. To estimate the recoverable amount of the CGU for impairment review, the Company takes reference to the valuation of preference shares issued by the Group to new investors within twelve months from the respective balance sheet dates.

Accordingly, no impairment loss was required for the carrying amount of goodwill assessed as at 31 December 2019 and 31 December 2018 as the recoverable amount of the CGU was in excess of the carrying value.

## 12. Trade and other receivables

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| *Trade receivables (current):* | | |
| Third parties | 168,250 | 296,773 |
| Less: Allowance for doubtful trade debts | (15,819) | (16,608) |
| *Other receivables (current):* | | |
| Third parties | – | 113,781 |
| Related parties | 2,018 | – |
| Sales tax receivables | 6,234 | 19,356 |
| Refundable deposits | 37,088 | 26,233 |
| | 197,771 | 439,535 |
| *Other receivables (non-current):* | | |
| Refundable deposits | 33,527 | 36,107 |
| Total trade and other receivables | 231,298 | 475,642 |
| Add: Amounts due from subsidiaries | – | – |
| Add: Cash and cash equivalents (Note 14) | 50,904 | 89,428 |
| Less: Sales tax receivables | (6,234) | (19,356) |
| Total financial assets carried at amortised cost | 275,968 | 545,714 |

Trade receivables 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.

## 12. Trade and other receivables (cont'd)

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

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| Denominated in: | | |
| United States Dollar | 23,107 | – |

***Expected credit losses***

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

| | **2019** | **2018** |
|---|---|---|
| | S$ | S$ |
| *Movement in allowance accounts:* | | |
| At 1 January | 16,608 | 13,536 |
| Written off | – | (13,536) |
| (Reversal)/charge for the year (Note 7) | (789) | 16,608 |
| At 31 December | 15,819 | 16,608 |

## 13. Inventories

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| Consumables | 54,313 | 75,215 |

## 14. Cash and cash equivalents

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| Cash on hand | 500 | 468 |
| Cash at bank | 50,404 | 88,960 |
| | 50,904 | 89,428 |

## 14. Cash and cash equivalents (cont'd)

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

| | Group 2019 S$ | Group 2018 S$ |
|---|---|---|
| Denominated in: | | |
| United States Dollar | 8,872 | – |

## 15. Trade and other payables

| | Group 2019 S$ | Group 2018 S$ |
|---|---|---|
| Trade payables | 353,192 | 442,331 |
| Other payables | | |
| - Non-trade payables | 217,359 | 282,878 |
| - Reclassification from lease liabilities | 263,128 | – |
| Accrued payroll | 274,700 | 239,084 |
| Accrued liabilities | 107,361 | 33,594 |
| Total trade and other payables | 1,215,740 | 997,887 |
| Add: Loans and borrowings (Note 16) | 2,267,966 | 1,571,327 |
| Add: Finance lease obligations | – | 372,563 |
| Add: Lease liabilities | 1,303,413 | – |
| Total financial liabilities carried at amortised cost | 4,787,119 | 2,941,777 |

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 2019 S$ | Group 2018 S$ |
|---|---|---|
| Denominated in: | | |
| Euro | 2,834 | 4,979 |
| Sterling Pound | 27,700 | 18,825 |
| United States Dollar | 214,370 | 66,232 |

## 16. Loans and borrowings

| | Group 2019 S$ | Group 2018 S$ |
|---|---|---|
| ***Current:*** | | |
| Loan amounts due to related party (1) | 223,499 | 557,296 |
| Loan amounts due to external parties (3) | 655,502 | – |
| Bank loans (4) | 58,397 | – |
| | 937,398 | 557,296 |
| ***Non-current:*** | | |
| Loan amounts due to related parties (2) | 1,167,030 | 1,014,031 |
| Bank loans (4) | 163,538 | – |
| | 1,330,568 | 1,014,031 |

The loan amounts due to related party (1) are repayable on demand, unsecured and bears interest at 8.00% per annum. The related party refers to one of the shareholders of the intermediate holding company of the Company.

The loan amounts due to related parties (2) are unsecured, interest-free and is not expected to be repaid within the next 12 months. The related parties refer to one of the directors of the Company, the Chief Executive Officer of the Company, and one of the shareholders of the Company.

The loan amounts due to external parties (3) are repayable on demand, secured by personal guarantees from directors of the Company and bears interest at 8.00% per annum.

The bank loans (4) are secured by personal guarantees from directors of the Company and bears interest between 6.75% and 7.00% per annum.

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

| | 1 Jan 2019 S$ | Reclassification S$ | Cash receipts S$ | Payment S$ | Accretion S$ | Others S$ | 31 Dec 2019 S$ |
|---|---|---|---|---|---|---|---|
| Loan amounts due to related parties | 1,571,327 | (357,296) | 200,000 | (59,000) | 16,832 | 18,666 | 1,390,529 |
| Loan amounts due to external parties | – | 357,296 | 266,000 | – | 41,540 | (9,334) | 655,502 |
| Bank loans | – | – | 250,000 | (36,106) | 8,041 | – | 221,935 |

## 17. Share capital

| | Group | | | |
|---|---|---|---|---|
| | **2019** | | **2018** | |
| | No. of shares | S$ | No. of shares | S$ |
| *Ordinary shares:* | | | | |
| At 1 January | 592,025 | 3,550,000 | 535,500 | 2,600,000 |
| Share issuance during the year | – | – | 56,525 | 950,000 |
| At 31 December | 592,025 | 3,550,000 | 592,025 | 3,550,000 |
| *Convertible preference shares:* | | | | |
| At 1 January | – | – | – | – |
| Share issuance during the year | 22,222 | 542,380 | – | – |
| At 31 December | 22,222 | 542,380 | – | – |
| *Total share capital:* | | | | |
| At 31 December | 614,247 | 4,092,380 | 592,025 | 3,550,000 |

***Ordinary shares***

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

***Convertible preference shares***

In 2019, the Company has issued 22,222 preference shares at US$18.00 each. The preference shares have been fully paid as at 31 December 2019.

The preference shares rank *parri passu* without any preference or priority among themselves and the ordinary shares in respect of voting rights and the payment of dividends.

In the event of liquidation event, or on return of capital by the Company:

(i) The holders of the preference shares shall be entitled in priority to holders of ordinary shares, to be paid one-time of the issue price of each preference share plus all accrued but unpaid dividend payable.

(ii) If there is any balance funds or assets available for distribution into shareholders after payment of the amount stipulated in sub-paragraph (i) above, the preference shareholders shall be entitled to participate in such distribution *pari passu* with other shareholders pro-rate to their shareholdings on an as converted basis.

The preference shareholders shall have the right from time to time and at any time after the issuance, to convert the whole or any part of the preference shares to new ordinary shares.

## 18. Share-based payment reserves

| | Group 2019 S$ | Group 2018 S$ |
|---|---|---|
| At 1 January | 407,138 | 243,334 |
| Expense recognised in profit of loss – 3DInfra share plan | 193,221 | 163,804 |
| At 31 December | 600,359 | 407,138 |

***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. The fair value of the employee services rendered is determined based on the recent quoted price of the Company's ordinary shares on the date of the grant. If preference shares are issued, Probability Weighted Expected Return Model and Black Scholes model are used to determine the fair value of the share award at grant 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 table below summarises the number of performance shares that were outstanding, as well as the movement during the reporting year.

| | Group | | | |
|---|---|---|---|---|
| **Grant date** | **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** | **Fair value of shares granted during the year** S$ |
| 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 |
| 1 September 2019 | – | 22,000 | 22,000 | 16.81 |
| | 125,000 | | 147,000 | |

## 19. Translation reserves

The translation reserves represent exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

## 20. 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.

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| Loan provided by immediate holding company | 101,000 | – |

***Compensation of directors and key management personnel***

Key management personnel of the Group 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. The compensation of key management personnel is disclosed in Note 6.

## 21. Commitments

***Operating lease commitments – As lessee***

As at 31 December 2018, future minimum lease rental payments under non-cancellable operating leases with an initial or remaining term of more than one year are as follows:

| | **2018** |
|---|---|
| | S$ |
| Not later than one year | 208,488 |
| Later than one year but not later than five years | 167,964 |
| | 376,452 |

The Group has adopted FRS 116 on 1 January 2019. Upon adoption of FRS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

At the end of the reporting period, the Group has certain outstanding commitments under operating leases for office premises. Lease arrangement is negotiated and fixed for a period of one year. The Group has accounted these lease arrangements as short-term leases.

## 22. 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 Group'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.

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.

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

***Credit risk (cont'd)***

***Trade receivables (cont'd)***

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 2019 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 receivables using provision matrix:

| **31 December 2019** | **Current** S$ | **1-90 days past due** S$ | **>91 days past due** S$ | **Gross carrying amount** S$ | **Loss allowance** S$ | **Net carrying amount** S$ |
|---|---|---|---|---|---|---|
| Trade receivables | 31,122 | 111,696 | 25,432 | 168,250 | (15,819) | 152,431 |

| **31 December 2018** | **Current** S$ | **1-90 days past due** S$ | **>91 days past due** S$ | **Gross carrying amount** S$ | **Loss allowance** S$ | **Net carrying amount** S$ |
|---|---|---|---|---|---|---|
| Trade receivables | 84,586 | 131,734 | 80,453 | 296,773 | (16,608) | 280,165 |

Information regarding loss allowance movement of trade receivables are disclosed in Note 14.

***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.

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

### *Liquidity risk (cont'd)*

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

| Group | 2019 One year or less S$ | 2019 More than one year S$ | 2019 Total S$ | 2018 One year or less S$ | 2018 More than one year S$ | 2018 Total S$ |
|---|---|---|---|---|---|---|
| ***Financial assets:*** | | | | | | |
| Trade and other receivables | 191,537 | 33,527 | 225,064 | 420,179 | 36,107 | 456,286 |
| Cash and cash equivalents | 50,904 | – | 50,904 | 89,428 | – | 89,428 |
| **Total undiscounted financial assets** | 242,441 | 33,527 | 275,968 | 509,607 | 36,107 | 545,714 |
| ***Financial liabilities:*** | | | | | | |
| Trade payables | 353,192 | – | 353,192 | 442,331 | – | 442,331 |
| Non-trade payables | 480,487 | – | 480,487 | 282,878 | – | 282,878 |
| Accrued payroll | 274,700 | – | 274,700 | 239,084 | – | 239,084 |
| Accrued liabilities | 107,361 | – | 107,361 | 33,594 | – | 33,594 |
| Finance lease obligations | – | – | – | 168,000 | 224,000 | 392,000 |
| Loans and borrowings | 937,398 | 1,330,568 | 2,267,966 | 557,296 | 1,014,031 | 1,571,327 |
| Lease liabilities | 659,055 | 707,844 | 1,366,899 | – | – | – |
| **Total undiscounted financial liabilities** | 2,812,193 | 2,038,412 | 4,850,605 | 1,723,183 | 1,238,031 | 2,961,214 |
| **Total net undiscounted financial liabilities** | (2,569,752) | (2,004,885) | (4,574,637) | (1,213,576) | (1,201,924) | (2,415,500) |

## 23. 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.

## 23. Capital management (cont'd)

The management monitors the capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt divided by share capital. Net debt is calculated as total borrowings less cash and cash equivalents.

| | Group | |
|---|---|---|
| | **2019** | **2018** |
| | S$ | S$ |
| Loans and borrowings (Note 16) | 2,267,966 | 1,571,327 |
| Lease liabilities (Note 10) | 1,303,413 | – |
| Finance lease obligations | – | 372,563 |
| Less: Cash and cash equivalent (Note 14) | (50,904) | (89,428) |
| Net debts | 3,520,475 | 1,854,462 |
| Share capital | 4,902,380 | 3,550,000 |
| Debt-to-capital ratio | 0.72 | 0.52 |

## 24. Financial instruments

***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.

## 25. Events occurring after balance sheet date

***Coronavirus outbreak***

In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified in Wuhan, China. On 3 April 2020, the Singapore government has implemented an elevated set of safe distancing measures, as a circuit breaker to pre-empt the trend of increasing local transmission of Coronavirus outbreak. These heightened safe distancing measures are set in place from 7 April 2020 until 1 June 2020 (inclusive). Many workplaces, including several of the Group's customers, are to be closed during the period. Work and business activities that can be carried out via telecommuting from home should continue.

The management has appropriately considered the following potential impacts as at the date of financial statements:

- There has been no evidence to suggest any material impairment of trade receivables. Customers are still making payments to settle the outstanding receivables.

- While there are possibilities of delays in completion date for certain contracts, management do not expect any cancellation of contracts by customers. Management will continue to monitor when further facts are known.

- There is no evidence nor indication to suggest an impairment charge is required for property, plant and equipment. Revenue is still being generated and cash inflows continue to be received.

- Management has considered whether any additional provision is required, including increasing provision for revenue refunds, provision for annual leave, provision for redundancies etc. No additional provision is required at this stage.

As the situation relating to the spread remains uncertain, it is currently not possible to ascertain the full financial impact it may have on the financial performance of the Group in FY2020.

***Issuance of additional 33,556 preference shares during FY2020***

In April 2020, the Company has issued additional 33,556 preference shares at US$18.00 each. This resulted in an increase in issued and paid-up share capital by an amount of US$604,000. The preference shares have been fully paid at the date of the financial statements.

## 28. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 1 December 2020.