

Company Registration No. 201505187R

3DInfra Pte. Ltd. and its subsidiaries

Interim Condensed Consolidated Financial Statements

For the period of 1 January 2020 to 30 June 2020



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## 3DInfra Pte. Ltd. and its subsidiaries

### Report on review of interim condensed consolidated financial statements For the financial period from 1 January 2020 to 30 June 2020

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#### Introduction

We have reviewed the accompanying interim condensed financial statements of 3DInfra Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as at 30 June 2020, which comprise the interim consolidated statements of financial position as at 30 June 2020 and the related interim consolidation statement of comprehensive income, changes in equity and cash flow statement for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Singapore Financial Reporting Standard FRS 34 Interim Financial Reporting ("FRS 34"). Our responsibility is to express a conclusion on these interim financial information based on our review.

#### Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Material Uncertainty Related to Going Concern

The Group incurred a net loss of S\$979,383 during the financial period ended 30 June 2020 and as at that date, the Group's current and total liabilities exceeded its current and total assets by S\$2,318,232 and S\$2,250,571 respectively. In addition, the net cash flows used in operating activities for the financial period ended on 30 June 2020 amounted to \$539,730. 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 interim condensed 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 Initial Public Offering or other fund raising as well as continuing support from certain shareholders who undertake to provide continuing financial support to enable the Group to continue as a going concern and not to recall amounts due to them within the next 12 months from the date of the auditor's report.

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 conclusion is not modified in respect of this matter.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FRS 34.

#### Other matters

We have not carried out a review in accordance with Singapore Standards on Review Engagements on the interim financial information for the six-month period ended 30 June 2019 included as comparative figures in this interim financial information, as the Group was not required to present reviewed financial information for the period. The interim financial information for the six-month period ended 30 June 2019 is the responsibility of the management and directors.

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

**Report on review of interim condensed consolidated financial statements  
For the financial period from 1 January 2020 to 30 June 2020**

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**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

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3DInfra Pte. Ltd. and its subsidiaries

Interim condensed consolidated statement of comprehensive income  
For the period from 1 January 2020 to 30 June 2020

|  |  | Group          |                |             |
|--|--|----------------|----------------|-------------|
|  |  | Unaudited      | Unaudited      |             |
|  |  | 1 January 2020 | 1 January 2019 |             |
|  |  | to             | to             |             |
| Note   |  | 30 June 2020   | 30 June 2019   |             |
|  |  | S\$            | S\$            |             |
| <b>Items of income</b>   |  |                |                |             |
|  | Revenue  | 3              | 536,002        | 573,715     |
|  | Other income   | 4              | 203,851        | 102,334     |
| <b>Items of expenses</b>   |  |                |                |             |
|  | Allowance for doubtful trade debts                           |                | (48,055)       | –           |
|  | Depreciation and amortisation                                |                | (463,016)      | (387,170)   |
|  | Cost of materials  |                | (128,749)      | (185,930)   |
|  | Staff costs  | 5              | (623,021)      | (643,438)   |
|  | Legal and professional fees                                  |                | (76,309)       | (10,298)    |
|  | Interest expenses  |                | (64,324)       | (42,236)    |
|  | Other operating expenses                                     |                | (315,762)      | (441,010)   |
|  | <b>Loss before income tax</b>                                | 6              | (979,383)      | (1,034,033) |
|  | Income tax expenses  |                | –              | –           |
|  | <b>Loss for the period</b>                                   |                | (979,383)      | (1,034,033) |
| <b>Other comprehensive income:</b>                                   |  |                |                |             |
| <b>Items that may be reclassified subsequently to profit or loss</b> |  |                |                |             |
|  | Foreign currency translation                                 |                | (12,236)       | (3,028)     |
|  | <b>Total comprehensive income for the period, net of tax</b> |                | (991,619)      | (1,037,061) |

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

3DInfra Pte. Ltd. and its subsidiaries

Interim condensed consolidated statement of financial position  
As at 30 June 2020

|   | Note | Group<br>Unaudited<br>30 June<br>2020<br>S\$ | Group<br>Audited<br>31 December<br>2019<br>S\$ |
|---|------|--|--|
| <b>Non-current assets</b>                           |      |  |  |
| Plant and equipment                                 | 7    | 1,131,570                                    | 1,528,650                                      |
| Intangible assets                                   | 9    | 655,078                                      | 634,680  |
| Other receivables                                   |      | 44,309                                       | 33,527   |
|   |      | 1,830,957                                    | 2,196,857                                      |
| <b>Current assets</b>                               |      |  |  |
| Inventories   | 10   | 113,905                                      | 54,313   |
| Trade and other receivables                         | 11   | 294,277                                      | 197,771  |
| Prepayments   |      | 74,388                                       | 41,966   |
| Cash and cash equivalents                           | 12   | 288,748                                      | 50,904   |
|   |      | 771,318                                      | 344,954  |
| <b>Total assets</b>                                 |      | 2,602,275                                    | 2,541,811                                      |
| <b>Current liabilities</b>                          |      |  |  |
| Trade and other payables                            | 13   | 1,547,352                                    | 1,215,740                                      |
| Lease liabilities                                   | 14   | 601,063                                      | 615,558  |
| Loans and borrowings                                | 15   | 941,135                                      | 937,398  |
|   |      | 3,089,550                                    | 2,768,696                                      |
| <b>Net current liabilities</b>                      |      | (2,318,232)                                  | (2,423,742)                                    |
| <b>Non-current liabilities</b>                      |      |  |  |
| Lease liabilities                                   | 14   | 397,835                                      | 687,855  |
| Loans and borrowings                                | 15   | 1,365,461                                    | 1,330,568                                      |
|   |      | 1,763,296                                    | 2,018,423                                      |
| <b>Total liabilities</b>                            |      | 4,852,846                                    | 4,787,119                                      |
| <b>Net liabilities</b>                              |      | (2,250,571)                                  | (2,245,308)                                    |
| <b>Equity attributable to owners of the Company</b> |      |  |  |
| Share capital                                       | 16   | 4,958,417                                    | 4,092,380                                      |
| Accumulated losses                                  |      | (7,901,995)                                  | (6,922,612)                                    |
| Share-based payment reserves                        | 17   | 720,678                                      | 600,359  |
| Translation reserves                                |      | (27,671)                                     | (15,435)                                       |
| <b>Total equity</b>                                 |      | (2,250,571)                                  | (2,245,308)                                    |
| <b>Total equity and liabilities</b>                 |      | 2,602,275                                    | 2,541,811                                      |

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

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3DInfra Pte. Ltd. and its subsidiaries

Interim condensed consolidated statement of changes in equity  
For the period from 1 January 2020 to 30 June 2020

| Group  | Share capital<br>(Note 16)<br>S\$ | Share-based<br>payment<br>reserves<br>(Note 17)<br>S\$ | Accumulated<br>losses<br>S\$ | Translation<br>reserves<br>S\$ | Total<br>equity<br>S\$ |
|--|-----------------------------------|--|------------------------------|--------------------------------|------------------------|
| <b>Unaudited 2020</b>                        |                                   |  |                              |                                |                        |
| <b>At 1 January 2020</b>                     | 4,092,380                         | 600,359  | (6,922,612)                  | (15,435)                       | (2,245,308)            |
| Loss for the period                          | –                                 | –  | (979,383)                    | –                              | (979,383)              |
| Issuance of convertible<br>preference shares | 866,037                           | –  | –                            | –                              | 866,037                |
| Share based payment<br>expenses              | –                                 | 120,319  | –                            | –                              | 120,319                |
| Foreign currency<br>translation              | –                                 | –  | –                            | (12,236)                       | (12,236)               |
| <b>At 30 June 2020<br/>(unaudited)</b>       | <b>4,958,417</b>                  | <b>720,678</b>   | <b>(7,901,995)</b>           | <b>(27,671)</b>                | <b>(2,250,571)</b>     |
| Group  | Share capital<br>(Note 16)<br>S\$ | Share-based<br>payment<br>reserves<br>(Note 17)<br>S\$ | Accumulated<br>losses<br>S\$ | Translation<br>reserves<br>S\$ | Total<br>equity<br>S\$ |
| <b>Unaudited 2019</b>                        |                                   |  |                              |                                |                        |
| <b>At 1 January 2019</b>                     | 3,550,000                         | 407,138  | (4,885,081)                  | –                              | (927,943)              |
| Loss for the year                            | –                                 | –  | (1,034,033)                  | –                              | (1,034,033)            |
| Share based payment<br>expenses              | –                                 | 84,283   | –                            | –                              | 84,283                 |
| Foreign currency<br>translation              | –                                 | –  | –                            | (3,028)                        | (3,028)                |
| <b>At 30 June 2019<br/>(unaudited)</b>       | <b>3,550,000</b>                  | <b>491,421</b>   | <b>(5,919,114)</b>           | <b>(3,028)</b>                 | <b>(1,880,721)</b>     |

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

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3DInfra Pte. Ltd. and its subsidiaries

Interim condensed consolidated cash flow statement  
For the period from 1 January 2020 to 30 June 2020

|   | Notes | Unaudited<br>1 January 2020<br>to<br>30 June 2020<br>S\$ | Unaudited<br>1 January 2019<br>to<br>30 June 2019<br>S\$ |
|---|-------|--|--|
| <b>Cash flows from operating activities</b>                     |       |  |  |
| Loss before tax   |       | (979,383)  | (1,034,033)  |
| Adjustments for:  |       |  |  |
| Depreciation of plant and equipment                             |       | 89,675   | 203,099  |
| Depreciation of right-of-use assets                             |       | 312,905  | 152,154  |
| Amortisation of intangible assets                               |       | 60,436   | 31,917   |
| Interest expenses   |       | 64,324   | 42,236   |
| Allowance for doubtful trade debts                              |       | 48,055   | –  |
| Share based compensation expenses                               |       | 120,319  | 84,283   |
| Exchange differences  |       | (12,236)   | (3,028)  |
| <b>Operating cash flows before changes in working capital</b>   |       | (295,905)  | (523,372)  |
| Decrease/(increase) in:   |       |  |  |
| Trade and other receivables                                     |       | (155,342)  | 112,384  |
| Prepayments   |       | (32,421)   | 3,611  |
| Inventories   |       | (59,592)   | (58,838)   |
| Increase/(decrease) in:   |       |  |  |
| Trade and other payables  |       | 3,530  | 234,268  |
| Deferred revenue  |       | –  | (20,029)   |
| <b>Net cash flows used in operating activities</b>              |       | (539,730)  | (251,976)  |
| <b>Cash flows from investing activities</b>                     |       |  |  |
| Purchase of plant and equipment                                 |       | (5,500)  | (1,237,220)  |
| Additions to intangible assets                                  |       | (80,834)   | (95,823)   |
| <b>Net cash used in investing activities</b>                    |       | (86,334)   | (1,333,043)  |
| <b>Cash flows from financing activities</b>                     |       |  |  |
| Proceeds from issuance of convertible preference shares         |       | 866,037  | –  |
| Proceeds from bank loans and external borrowings                |       | 74,117   | 1,663,382  |
| Repayment of bank loans   |       | (35,490)   | (10,090)   |
| Payment of lease liabilities                                    |       | (40,756)   | (102,632)  |
| <b>Net cash flows generated from financing activities</b>       |       | 863,908  | 1,550,660  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     |       | 237,844  | (34,359)   |
| Cash and cash equivalents at beginning of the financial period  |       | 50,904   | 89,428   |
| <b>Cash and cash equivalents at end of the six-month period</b> | 12    | 288,748  | 55,069   |

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

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**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. The principal activities of its subsidiaries are primarily in industrial design activities, provision of art and graphic design services and 3D metal printing-related services.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

The interim condensed consolidated financial statements for the six-month ended 30 June 2020 and 30 June 2019 have been prepared in accordance with Singapore Financial Reporting Standards (FRS 34) *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019.

The interim financial statements have been prepared on a historical costs basis, except as disclosed in the accounting policies below, and are presented in Singapore Dollars ("SGD" or "S\$").

**Going concern assumption**

The Group incurred a net loss of S\$979,383 (2019: S\$1,034,033) during the financial period ended 30 June 2020 and as at that date, the Group's current and total liabilities exceeded its current and total assets by S\$2,318,232 and S\$2,250,571 (2019: S\$2,423,742 and S\$2,245,308) respectively. In addition, the net cash flows used in operating activities for the financial period ended on 30 June 2020 amounted to S\$539,730 (S\$251,976). 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 interim condensed 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 Initial Public Offering or other fund raising as well as continuing support from certain shareholders who undertake to provide continuing financial support to enable the Group to continue as a going concern and not to recall amounts due to them within the next 12 months from the date of the auditor's report.

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 respect of this matter.



## 3DInfra Pte. Ltd. and its subsidiaries

### Notes to the financial statements For the six-month period ended 30 June 2020

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

##### 2.2 *Changes in accounting policies*

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the new standards effective as of 1 January 2020. The adoption of these standards did not have any material impact on the interim financial statement of the Group.

#### 3. Revenue

##### *Disaggregation of revenue*

|   | <b>Group<br/>Unaudited<br/>For the six-month period ended<br/>30 June</b> |             |
|---|---|-------------|
|   | <b>2020</b>   | <b>2019</b> |
|   | S\$   | S\$         |
| <i>Revenue streams:</i>                         |   |             |
| Sale of 3D design                               | 14,123  | 48,325      |
| Sale of 3D design and printing                  | 521,879   | 525,390     |
|   | 536,002   | 573,715     |
| <i>Timing of transfer of goods or services:</i> |   |             |
| At a point in time                              | 536,002   | 573,715     |
| <i>Primary geographical markets:</i>            |   |             |
| Singapore                                       | 468,902   | 512,306     |
| United States                                   | 56,919  | 59,171      |
| Canada  | –   | 2,238       |
| Malaysia  | 10,181  | –           |
|   | 536,002   | 573,715     |

#### 4. Other income

|                   | <b>Group<br/>Unaudited<br/>For the six-month period ended<br/>30 June</b> |             |
|-------------------|---|-------------|
|                   | <b>2020</b>   | <b>2019</b> |
|                   | S\$   | S\$         |
| Government grants | 203,051   | 99,948      |
| Delivery fee      | 800   | 2,386       |
|                   | 203,851   | 102,334     |

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

#### Notes to the financial statements For the six-month period ended 30 June 2020

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#### 5. Staff costs

|  | <b>Group<br/>Unaudited<br/>For the six-month period ended<br/>30 June</b> |             |
|--|---|-------------|
|  | <b>2020</b>   | <b>2019</b> |
|  | <b>S\$</b>  | <b>S\$</b>  |
| Salaries, wages and benefits (including CPF contributions) | 502,702   | 559,155     |
| Share-based compensation expenses                          | 120,319   | 84,283      |
|  | <hr/>   | <hr/>       |
|  | 623,021   | 643,438     |

#### 6. Loss before income tax

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

|  | <b>Group<br/>Unaudited<br/>For the six-month period ended<br/>30 June<br/>Group</b> |             |
|--|---|-------------|
|  | <b>2020</b>   | <b>2019</b> |
|  | <b>S\$</b>  | <b>S\$</b>  |
| Depreciation of plant and equipment    | 89,675  | 203,099     |
| Depreciation of right-of-use assets    | 312,905   | 152,154     |
| Amortisation of intangible assets      | 60,436  | 31,917      |
| Allowance for doubtful trade debts     | 48,055  | –           |
| Share-based compensation expenses      | 120,319   | 84,283      |
| Interest expenses                      | 64,136  | 34,996      |
| Legal and professional fees            | 76,309  | 10,298      |
| Utility charges                        | 21,383  | 14,799      |
| Foreign exchange loss, net             | 25,925  | 154         |
| Expenses relating to short-term leases | 69,396  | 60,852      |
| Software subscriptions                 | 33,477  | 26,527      |
| Repair and maintenance costs           | 13,084  | 40,376      |
| Research and development costs         | 291,390   | 239,060     |

Included in other operating expenses and staff costs is startup cost of Nil (30 June 2019: S\$294,981). The non-recurring startup cost was incurred in order to set up a subsidiary in the United States.

3DInra Pte. Ltd. and its subsidiaries

Notes to the financial statements  
For the six-month period ended 30 June 2020

7. Plant and equipment

| Group                                  | Office premises<br>S\$ | Computer equipment<br>S\$ | Furniture and fittings<br>S\$ | Office equipment<br>S\$ | Plant and machinery<br>S\$ | Renovations<br>S\$ | Total<br>S\$ |
|--|------------------------|---------------------------|-------------------------------|-------------------------|----------------------------|--------------------|--------------|
| <b>Cost</b>                            |                        |                           |                               |                         |                            |                    |              |
| At 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 and 1 January 2020 | 239,989                | 86,750                    | 83,524                        | 25,604                  | 2,142,771                  | 121,000            | 2,699,638    |
| Additions during the year              | –                      | –                         | –                             | –                       | 5,500                      | –                  | 5,500        |
| At 30 June 2020                        | 239,989                | 86,750                    | 83,524                        | 25,604                  | 2,148,271                  | 121,000            | 2,705,138    |
| <b>Accumulated depreciation</b>        |                        |                           |                               |                         |                            |                    |              |
| At 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 and 1 January 2020 | (82,282)               | (76,202)                  | (81,327)                      | (24,009)                | (807,528)                  | (99,640)           | (1,170,988)  |
| Charge for the year                    | (41,141)               | (4,358)                   | (2,018)                       | (1,457)                 | (347,858)                  | (5,748)            | (402,580)    |
| At 30 June 2020                        | (123,423)              | (80,560)                  | (83,345)                      | (25,466)                | (1,155,386)                | (105,388)          | (1,573,568)  |
| <b>Net carrying amount</b>             |                        |                           |                               |                         |                            |                    |              |
| At 31 December 2019                    | 157,707                | 10,548                    | 2,197                         | 1,595                   | 1,335,243                  | 21,360             | 1,528,650    |
| At 30 June 2020                        | 116,566                | 6,190                     | 179                           | 138                     | 992,885                    | 15,612             | 1,131,570    |

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

#### Notes to the financial statements For the six-month period ended 30 June 2020

#### 8. 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.

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<br>premises<br>S\$ | Plant and<br>machinery<br>S\$ | Total<br>S\$ |
|---|---------------------------|-------------------------------|--------------|
| <b>Cost</b>   |                           |                               |              |
| 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, 1 January 2020 and<br>30 June 2020 | 239,989                   | 1,551,028                     | 1,791,017    |
| <b>Accumulated depreciation</b>                         |                           |                               |              |
| At 1 January 2019                                       | –                         | (26,519)                      | (26,519)     |
| Charge for the year                                     | (82,282)                  | (383,357)                     | (465,639)    |
| At 31 December 2019 and 1 January 2020                  | (82,282)                  | (409,876)                     | (492,158)    |
| Charge for the year                                     | (41,141)                  | (271,764)                     | (312,905)    |
| At 30 June 2020   | (123,423)                 | (681,640)                     | (805,063)    |
| <b>Net carrying amount</b>                              |                           |                               |              |
| At 31 December 2019                                     | 157,707                   | 1,141,152                     | 1,298,859    |
| At 30 June 2020   | 116,566                   | 869,388                       | 985,954      |

## 3DInfra Pte. Ltd. and its subsidiaries

### Notes to the financial statements For the six-month period ended 30 June 2020

#### 9. Intangible assets

| Group                                     | Goodwill<br>S\$ | Computer<br>software<br>S\$ | Development<br>Cost<br>S\$ | Total<br>S\$ |
|---|-----------------|-----------------------------|----------------------------|--------------|
| <b>Cost</b>                               |                 |                             |                            |              |
| At 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 and<br>1 January 2020 | 241,353         | 94,490                      | 469,135                    | 804,978      |
| Additions during the year                 | –               | –                           | 80,834                     | 80,834       |
| At 30 June 2020                           | 241,353         | 94,490                      | 549,969                    | 885,812      |
| <b>Accumulated amortisation</b>           |                 |                             |                            |              |
| At 1 January 2019                         | –               | (45,421)                    | (27,483)                   | (72,904)     |
| Charge for the year                       | –               | (22,348)                    | (75,046)                   | (97,394)     |
| At 31 December 2019 and<br>1 January 2020 | –               | (67,769)                    | (102,529)                  | (170,298)    |
| Charge for the year                       | –               | (10,545)                    | (49,891)                   | (60,436)     |
| At 30 June 2020                           | –               | (78,314)                    | (152,420)                  | (230,734)    |
| <b>Net carrying amount</b>                |                 |                             |                            |              |
| At 31 December 2019                       | 241,353         | 26,721                      | 366,606                    | 634,680      |
| At 30 June 2020                           | 241,353         | 16,176                      | 397,549                    | 655,078      |

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. 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 2 and 4 years.

#### 10. Inventories

There are no write down of inventory during the six-month period ended 30 June 2020 (the six-month period ended 30 June 2019: Nil).

**3DInfra Pte. Ltd. and its subsidiaries****Notes to the financial statements  
For the six-month period ended 30 June 2020****11. Trade and other receivables**

|  | <b>Group</b>                                  |   |
|--|---|---|
|  | <b>Unaudited<br/>30 June<br/>2020<br/>S\$</b> | <b>Audited<br/>31 December<br/>2019<br/>S\$</b> |
| Trade receivables (current):                     |   |   |
| Third parties                                    | 237,899                                       | 168,250   |
| Less: Allowance for doubtful<br>trade debts      | (63,874)                                      | (15,819)  |
| Other receivables (current):                     |   |   |
| Third parties                                    | 62,288  | –   |
| Related parties                                  | 2,018   | 2,018   |
| Sales tax receivables                            | 5,204   | 6,234   |
| Refundable deposits                              | 50,742  | 37,088  |
|  | <hr/> 294,277                                 | <hr/> 197,771                                   |
| Other receivables (non-current):                 |   |   |
| Refundable deposits                              | 44,309  | 33,527  |
|  | <hr/> 294,277                                 | <hr/> 197,771                                   |
| Total trade and other receivables                | 338,586                                       | 231,298   |
| Add: Cash and cash equivalents (Note 12)         | 288,748                                       | 50,904  |
| Less: Sales tax receivables                      | (5,204)                                       | (6,234)   |
|  | <hr/> 622,130                                 | <hr/> 275,968                                   |
| Total financial assets carried at amortised cost | <hr/> <hr/> 622,130                           | <hr/> <hr/> 275,968                             |

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. Cash and cash equivalents**

|              | <b>Group</b>                                  |   |
|--------------|---|---|
|              | <b>Unaudited<br/>30 June<br/>2020<br/>S\$</b> | <b>Audited<br/>31 December<br/>2019<br/>S\$</b> |
| Cash on hand | 753   | 500   |
| Cash at bank | 287,995                                       | 50,404  |
|              | <hr/> 288,748                                 | <hr/> 50,904                                    |
|              | <hr/> <hr/> 288,748                           | <hr/> <hr/> 50,904                              |

3DInfra Pte. Ltd. and its subsidiaries

Notes to the financial statements  
For the six-month period ended 30 June 2020

13. Trade and other payables

|   | Group                               |                                       |
|---|-------------------------------------|---------------------------------------|
|   | Unaudited<br>30 June<br>2020<br>S\$ | Audited<br>31 December<br>2019<br>S\$ |
| Trade payables  | 340,967                             | 353,192                               |
| Non-trade payables                                    | 859,407                             | 480,487                               |
| Accrued payroll                                       | 302,200                             | 274,700                               |
| Accrued liabilities                                   | 44,778                              | 107,361                               |
|   | <hr/>                               | <hr/>                                 |
| Total trade and other payables                        | 1,547,352                           | 1,215,740                             |
| Add: Loans and borrowings (Note 15)                   | 2,306,596                           | 2,267,966                             |
| Add: Lease liabilities (Note 14)                      | 998,898                             | 1,303,413                             |
|   | <hr/>                               | <hr/>                                 |
| Total financial liabilities carried at amortised cost | 4,852,846                           | 4,787,119                             |
|   | <hr/>                               | <hr/>                                 |

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

14. Lease liabilities

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

|                                  | Unaudited<br>30 June<br>2020<br>S\$ | Audited<br>31 December<br>2019<br>S\$ |
|----------------------------------|-------------------------------------|---------------------------------------|
| At 1 January                     | 1,303,413                           | 612,552                               |
| Additions during the period/year | –                                   | 1,153,238                             |
| Accretion of interest            | 25,012                              | 51,538                                |
| Payments                         | (40,756)                            | (250,787)                             |
| Transfer to other payables       | (288,771)                           | (263,128)                             |
|                                  | <hr/>                               | <hr/>                                 |
| At 31 December                   | 998,898                             | 1,303,413                             |
|                                  | <hr/>                               | <hr/>                                 |

The following is presented in the statements of financial position:

|             | Unaudited<br>30 June<br>2020<br>S\$ | Audited<br>31 December<br>2019<br>S\$ |
|-------------|-------------------------------------|---------------------------------------|
| Current     | 601,063                             | 615,558                               |
| Non-current | 397,835                             | 687,855                               |
|             | <hr/>                               | <hr/>                                 |
|             | 998,898                             | 1,303,413                             |
|             | <hr/>                               | <hr/>                                 |

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3DInfra Pte. Ltd. and its subsidiaries

Notes to the financial statements  
For the six-month period ended 30 June 2020

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15. Loans and borrowings

|   | Group                               |                                       |
|---|-------------------------------------|---------------------------------------|
|   | Unaudited<br>30 June<br>2020<br>S\$ | Audited<br>31 December<br>2019<br>S\$ |
| <b>Current:</b>                                     |                                     |                                       |
| Loan amounts due to related party <sup>(1)</sup>    | 231,966                             | 223,499                               |
| Loan amounts due to external parties <sup>(3)</sup> | 649,126                             | 655,502                               |
| Bank loans <sup>(4)</sup>                           | 60,043                              | 58,397                                |
|   | 941,135                             | 937,398                               |
| <b>Non-current:</b>                                 |                                     |                                       |
| Loan amounts due to related parties <sup>(2)</sup>  | 1,231,531                           | 1,167,030                             |
| Bank loans <sup>(4)</sup>                           | 133,930                             | 163,538                               |
|   | 1,365,461                           | 1,330,568                             |

The loan amounts due to related party <sup>(1)</sup> 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 <sup>(2)</sup> 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 <sup>(3)</sup> are repayable on demand, secured by personal guarantees from directors of the Company and bears interest at 8.00% per annum.

The bank loans <sup>(4)</sup> are secured by personal guarantees from directors of the Company and bears interest between 6.75% and 7.00% per annum. The bank loans have a maturity period ranges from 3 to 5 years.



3DInfra Pte. Ltd. and its subsidiaries

Notes to the financial statements  
For the six-month period ended 30 June 2020

16. Share capital

|                                       | Unaudited<br>30 June 2020 |           | Group<br>Audited<br>31 December 2019 |           |
|---------------------------------------|---------------------------|-----------|--------------------------------------|-----------|
|                                       | No. of shares             | S\$       | No. of shares                        | S\$       |
| <i>Ordinary shares:</i>               |                           |           |                                      |           |
| At 1 January and 31 December          | 592,025                   | 3,550,000 | 592,025                              | 3,550,000 |
| <i>Convertible preference shares:</i> |                           |           |                                      |           |
| At 1 January                          | 22,222                    | 542,380   | –                                    | –         |
| Share issuance during the year        | 33,556                    | 866,037   | 22,222                               | 542,380   |
| At 31 December                        | 55,778                    | 1,408,417 | 22,222                               | 542,380   |
| <i>Total share capital:</i>           |                           |           |                                      |           |
| At 31 December                        | 647,803                   | 4,958,417 | 614,247                              | 4,092,380 |

**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**

During the period, the Company has issued 33,556 preference shares at US\$ 18.00 each. The preference shares have been fully paid as at 30 June 2020.

The preference shares rank *pari 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 shareholder after payment of the amount stipulated in sub-paragraph (i) above, the preference shareholder shall be entitled to participate in such distribution *pari passu* with other shareholders pro-rate to their shareholdings on an as converted basis.

3DInfra Pte. Ltd. and its subsidiaries

Notes to the financial statements  
For the six-month period ended 30 June 2020

17. Share-based payment reserves

|  | Group                               |                                       |
|--|-------------------------------------|---------------------------------------|
|  | Unaudited<br>30 June<br>2020<br>S\$ | Audited<br>31 December<br>2019<br>S\$ |
| At 1 January   | 600,359                             | 407,138                               |
| Expense recognised in profit of<br>loss – 3DInfra share plan | 120,319                             | 193,221                               |
| At 31 December   | 720,678                             | 600,359                               |

**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. There were no share awards granted for the period ended 30 June 2020.

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.

| Grant date       | Group   |  |  |   |
|------------------|---|--|--|---|
|                  | No. of<br>performance<br>shares<br>outstanding<br>as at<br>beginning of<br>the year | No. of<br>performance<br>shares<br>granted<br>during the<br>year | No. of<br>performance<br>shares<br>outstanding<br>as at end of<br>year | Fair value of<br>shares<br>granted<br>during the<br>year<br>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   | 16.38   |
|                  | 147,000   |  | 147,000  |   |

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

#### Notes to the financial statements For the six-month period ended 30 June 2020

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#### 18. Related party transactions

The following table provides the total amount of transactions that have been entered into with related party during the six-month ended 30 June 2020 and 2019:

|  | For the six-month ended<br>30 June |             |
|--|------------------------------------|-------------|
|  | 2020<br>S\$                        | 2019<br>S\$ |
| Loan provided by immediate holding company | 101,000                            | 96,000      |

#### 19. 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 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                               |                                       |
|--|-------------------------------------|---------------------------------------|
|  | Unaudited<br>30 June<br>2020<br>S\$ | Audited<br>31 December<br>2019<br>S\$ |
| Loans and borrowings (Note 15)           | 2,306,596                           | 2,267,966                             |
| Lease liabilities (Note 14)              | 998,898                             | 1,303,413                             |
| Less: Cash and cash equivalent (Note 12) | (288,748)                           | (50,904)                              |
| Net debts                                | 3,016,746                           | 3,520,475                             |
| Share capital                            | 4,958,417                           | 4,902,380                             |
| Debt-to-capital ratio                    | 0.61                                | 0.72                                  |

**20. 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.

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

There are no financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

**21. Authorisation of interim condensed financial statements**

The interim condensed consolidated financial statements for the six-month period ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 01 December 2020.

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