

3DInfra Pte. Ltd. and its controlled entities

Annual Financial Statements
For the year ended 31 December 2020

3Dlnfra Pte. Ltd.
For the year ended 31 December 2020

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

Grant Thornton Audit Pty Ltd

Level 43 152 -158 St Georges Terrace

Perth WA 6000

Australia

Index

	Page
Directors' statement	1
Consolidated statement of comprehensive income	3
Statements of financial position	4
Statements of changes in equity	5
Consolidated cash flow statement	6
Notes to the financial statements	7

3DInfra Pte. Ltd.
For the year ended 31 December 2020

Directors' statement

The directors are pleased to present their statement together with the audited consolidated financial statements of 3DInfra Pte. Ltd. (the "Company") and its subsidiaries (collectively, "the Group") for the financial year ended 31 December 2020.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statements of financial position and statements of changes in equity of the Group are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) as disclosed in Note 2.1, at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due as one of the shareholders of the ultimate holding company of the Group and the directors of the Group have given an undertaking to provide continuing financial support to the Group to meet its liabilities as and when they fall due.

Directors

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

Matthew James Waterhouse

Khoo Hwi Min

Spence David Michael

(Appointed on 12 March 2020)

Arrangements to enable directors to acquire shares and debentures

Other than as stated below, at the end of, nor at any time during the financial year, was the Group a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Group or any other body corporate.

- 1) Grant of 32,551 option for Matthew James Waterhouse to acquire shares of the Company pursuant to the 3DInfra Share Plan.
- 2) Transfer of 5,400 ordinary shares to Michael Spence from Right Angle Ventures Group Pte Ltd

Director's interests in shares and debentures

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

Name of director	Deemed interest		Direct interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Matthew James Waterhouse				
Ordinary shares of				
Origo Investments Limited	50	50	—	—
Right Angle Ventures Group Pte. Ltd.	500	500	—	—
3D Infra Pte. Ltd.	150,000	146,746	—	—

3DInfra Pte. Ltd.
For the year ended 31 December 2020

Directors' statement

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

Name of director	Deemed interest		Direct interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<i>Share options of</i> 3D Infra Pte. Ltd.	–	–	80,000	112,551
Khoo Hwi Min <i>Share options of</i> 3D Infra Pte. Ltd.	–	–	8,500	8,500
Michael Spence <i>Ordinary Shares of</i> 3D Infra Pte. Ltd.	–	–	19,550	24,950

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

On behalf of the board of directors:



Matthew James Waterhouse
Director



Spence David Michael
Director

Singapore
31 March 2021

3DInfra Pte. Ltd.
For the year ended 31 December 2020

Consolidated statement of comprehensive income
For the financial year ended 31 December 2020

	Note	2020 S\$	2019 S\$
Items of income			
Revenue	4	1,096,511	1,317,867
Other income	5	408,772	119,506
Total revenue and other income		1,505,283	1,437,373
 Items of expenses			
Reversal/(allowance) for doubtful trade debts		(53,486)	789
Depreciation and amortisation		(982,314)	(797,585)
Cost of materials		(596,060)	(376,288)
Employee expenses	6	(1,232,858)	(1,501,004)
Legal and professional fees		(84,634)	(53,319)
Impairment expense	11	(241,353)	—
Interest expenses		(123,321)	(117,951)
Other operating expenses		(676,436)	(629,546)
Loss before income tax	7	(2,485,179)	(2,037,531)
Income tax expenses	8	—	—
Loss for the year		(2,485,179)	(2,037,531)
 Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency (loss)/gain		(1,749)	15,435
Total comprehensive loss for the year, net of tax		(2,486,928)	(2,022,096)

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

3DInfra Pte. Ltd.
For the year ended 31 December 2020

Consolidated Statements of financial position
As at 31 December 2020

	Note	2020 S\$	2019 S\$
Non-current assets			
Plant and equipment	9	1,112,186	1,528,650
Intangible assets	11	430,780	634,680
Other receivables	12	100,635	33,527
Total non-current assets		1,643,601	2,196,857
Current assets			
Inventories	13	33,953	54,313
Trade and other receivables	12	179,771	197,771
Amounts due from subsidiaries			—
Prepayments		63,037	41,966
Cash and cash equivalents	14	128,734	50,904
Total current assets		405,495	344,954
Total assets		2,049,096	2,541,811
Current liabilities			
Trade and other payables	15	1,735,157	1,215,740
Lease liabilities	10	637,598	615,558
Loans and borrowings	16	1,101,762	937,398
Total current liabilities		3,474,517	2,768,696
Non-current liabilities			
Lease liabilities	10	229,478	687,855
Other payables	15	164,800	—
Loans and borrowings	16	1,949,211	1,330,568
Total non-current liabilities		2,343,489	2,018,423
Total liabilities		5,818,006	4,787,119
Net liabilities		(3,768,910)	(2,245,308)
Equity			
Share capital	17	4,958,417	4,092,380
Accumulated losses		(9,407,791)	(6,922,612)
Share-based payment reserves	18	678,715	600,359
Translation reserves	19	1,749	(15,435)
Total deficiency		(3,768,910)	(2,245,308)

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

3DInfra Pte. Ltd.
For the year ended 31 December 2020

Statements of changes in equity
For the financial year ended 31 December 2020

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 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 1 January 2020	4,092,380	600,359	(6,922,612)	(15,435)	(2,245,308)
Loss for the year	—	—	(2,485,179)	—	(2,485,179)
Issuance of convertible preference shares	866,037	—	—	—	866,037
Share based payment expenses	—	78,356	—	—	78,356
Foreign currency translation	—	—	—	17,184	17,184
At 31 December 2020	4,958,417	678,715	(9,407,791)	1,749	(3,768,910)

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

3DInfra Pte. Ltd.
For the year ended 31 December 2020

Consolidated cash flow statement
For the financial year ended 31 December 2020

	Notes	2020 S\$	2019 S\$
Cash flows from operating activities			
Loss before tax		(2,485,179)	(2,037,531)
Adjustments for:			
Depreciation of property, plant and equipment		174,895	234,552
Depreciation of right-of-use assets	10	683,681	465,639
Amortisation of intangible assets	11	123,738	97,394
Interest expenses		123,321	117,951
Goodwill		241,353	—
(Reversal)/allowance for doubtful trade debts	12	(53,444)	(789)
Share based compensation expenses	6	78,356	193,221
Exchange differences		17,184	(15,435)
Operating cash flows before changes in working capital		(1,096,095)	(944,998)
Decrease/(increase) in:			
Trade and other receivables		4,336	245,133
Prepayments		(21,071)	(17,467)
Inventories		20,360	20,902
(Decrease)/increase in:			
Trade and other payables		201,758	(35,943)
Deferred revenue		—	(20,029)
Net cash flows used in operating activities		(890,712)	(752,402)
Interest paid		(77,199)	—
Net cash flows		(967,911)	(752,402)
Cash flows from investing activities			
Purchase of property, plant and equipment		(210,633)	(23,062)
Additions to intangible assets	11	(161,191)	(175,547)
Net cash used in investing activities		(371,824)	(198,609)
Cash flows from financing activities			
Proceeds from issuance of convertible preference shares	17	866,037	542,380
Proceeds from bank loans and external borrowings		940,832	716,000
Payment of external borrowings		(100,000)	(59,000)
Payment of bank loans		(57,825)	(36,106)
Payment of lease liabilities	10	(231,479)	(250,787)
Net cash flows generated from financing activities		1,417,565	912,487
Net decrease in cash and cash equivalents		77,830	(38,524)
Cash and cash equivalents at beginning of the financial year		50,904	89,428
Cash and cash equivalents at end of the financial year	14	128,734	50,904

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

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements For the financial year ended 31 December 2020

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 Group 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 International Financial Reporting Standards ("IFRS").

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 "\$"), which is also the functional currency of the Group.

Going concern assumption

The Group incurred a net loss of S\$2,485,179 (2019: S\$2,037,531) for the financial year ended 31 December 2020. As at that date, the Group's current liabilities and total liabilities exceeded its current assets and total assets by S\$3,069,022 and S\$3,768,910 (2019: 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 2020 amounted to S\$967,911 (2019: 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. The ability of the Group to continue as a going concern depends on the successful fund raising 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 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 *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 IFRS 103 <i>Definition of Business</i>	1 January 2020
Amendments to IFRS 1 and FRS 8 <i>Definition of Material</i>	1 January 2020
Amendment to IFRS 116 <i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to FRS 103 <i>References to the Conceptual Framework</i>	1 January 2022
Amendments to FRS 37 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to IFRS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023

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.

2.3 *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)

2.3 *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.

2.4 *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)

2.4 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.

2.5 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)

2.6 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.

2.7 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)

2.8 *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)

2.8 *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.

2.9 ***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.

3DInfra Pte. Ltd. and its controlled entities

**Notes to the financial statements
For the financial year ended 31 December 2020**

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

2.10 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.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.12 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)

2.13 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 2.7.

(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)

2.14 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.

2.15 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.

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

2.15 Taxes (cont'd)

(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.

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.

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements For the financial year ended 31 December 2020

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

2.15 Taxes (cont'd)

(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.

2.16 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.

2.17 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.

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

2.19 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. Significant accounting estimates and judgments (cont'd)

3.2 Key sources of estimation uncertainty

Determination of useful lives of property, plant and equipment

The Group 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 2020 was S\$1,112,186 (2019: S\$1,528,650).

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

Determination of Recoverability of Goodwill

The Group reviews annually the impairment of Goodwill based on factors such as evolving market requirements, technological changes, fair value which impact the level of impairment.

4. Revenue

Disaggregation of revenue

	Group	
	2020 S\$	2019 S\$
<i>Revenue streams:</i>		
Sale of 3D design	20,043	76,392
Sale of 3D design and printing	1,076,468	1,241,475
	1,096,511	1,317,867
<i>Timing of transfer of goods or services:</i>		
At a point in time	1,096,511	1,317,867
<i>Primary geographical markets:</i>		
Singapore	1,008,103	922,094
International	88,408	395,773
	1,096,511	1,317,867

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements For the financial year ended 31 December 2020

5. Other income

	Group 2020 S\$	2019 S\$
Government grants	407,672	106,889
Others	1,100	12,617
	408,772	119,506

6. Staff costs

	Group 2020 S\$	2019 S\$
Salaries, wages and benefits (including CPF contributions)	1,154,501	1,307,783
Share-based compensation expenses	78,357	193,221
	1,232,858	1,501,004

Included in staff costs of S\$1,232,858 (2019: S\$1,501,004) is directors' remuneration comprising salaries, wages and benefits of S\$180,000 and CPF contributions of S\$12,375 (2019: 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 2020 S\$	2019 S\$
Depreciation of property, plant and equipment	174,894	234,552
Depreciation of right-of-use assets	683,681	465,639
Amortisation of intangible assets	123,738	97,394
Utility charges	51,908	38,564
Foreign exchange (gain)/loss, net	10,877	(3,365)
Expenses relating to short-term leases	95,984	123,444
Interest expenses	123,321	117,951
Share-based compensation expenses	78,357	193,221
(Reversal)/allowance for doubtful trade debts	53,444	(789)
Advertisement and exhibition costs	(2,331)	51,522
Stationery and office-related expenses	11,602	17,092
Software subscription fees	124,511	57,732
Repair and maintenance	25,860	58,591
Research and development costs	650,603	416,542

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements

For the financial year ended 31 December 2020

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 2020 and 2019 as follows:

	Group	
	2020 S\$	2019 S\$
Loss before income tax	(2,485,179)	(2,037,531)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(422,480)	(346,380)
Adjustments:		
Non-deductible expenses	182,725	147,355
Deferred tax assets not recognised	239,755	199,025
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\$6,868,070 (2019: S\$5,857,900) 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.

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

9. Property, plant and equipment

	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 2019	—	85,850	83,524	25,604	984,041	104,330	1,283,349
Additions during the year	239,989	—	—	—	—	—	239,989
Impact upon adoption of FRS 116 Leases	—	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	231,479	11,759	590	—	198,283	—	442,111
Write-off	—	(34,241)	(51,201)	(8,481)	—	—	(93,923)
At 31 December 2020	471,468	64,268	32,913	17,123	2,341,054	121,000	3,047,826
Accumulated depreciation							
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	(140,153)	(9,586)	(2,283)	(1,533)	(693,947)	(11,073)	(858,575)
Write-off	—	34,241	51,201	8,481	—	—	93,923
At 31 December 2020	(222,435)	(51,547)	(32,409)	(17,061)	(1,501,475)	(110,713)	(1,935,640)
Net carrying amount							
At 31 December 2020	249,033	12,721	504	62	839,579	10,287	1,112,186
At 31 December 2019	157,707	10,548	2,197	1,595	1,335,243	21,360	1,528,650

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

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.

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	239,989	397,790	637,779
Impact upon adoption of FRS 116 Leases	—	1,153,238	1,153,238
At 1 January 2020	239,989	1,551,028	1,791,017
Additions during the year	231,479	—	231,479
At 31 December 2020	471,468	1,551,028	2,022,496
Accumulated depreciation			
At 1 January 2020	(82,282)	(409,876)	(492,158)
Charge for the year	(140,153)	(543,528)	(683,681)
At 31 December 2020	(222,435)	(953,404)	(1,175,839)
Net carrying amount			
At 31 December 2020	249,033	597,624	846,657
At 31 December 2019	157,707	1,141,152	1,298,859

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

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

Lease liabilities

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\$
<i>Lease liabilities</i>			
At 1 January 2020	161,029	1,142,384	1,303,413
Additions during the year	231,479	–	231,479
Accretion of interest	7,877	38,245	46,122
Deferred payments transferred to payables	(142,516)	(571,422)	(713,938)
At 31 December 2020	257,869	609,207	867,076

The following is presented in the statements of financial position:

	2020 S\$	2019 S\$
Current	637,598	615,558
Non-current	229,478	687,855
	867,076	1,303,413

The amount recognised in profit or loss is as follows:

	2020 S\$	2020 S\$
Depreciation expense of right-of-use assets	683,681	465,639
Interest expense on lease liabilities	46,122	51,538
Total amount recognised in profit or loss	729,803	517,177

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

11. Intangible assets

Group	Goodwill S\$	Computer software S\$	Development costs S\$	Total S\$
Cost				
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 1 January 2020	241,353	94,490	469,135	804,978
Additions during the year	–	–	161,191	161,191
Write-off	(241,353)	(26,510)	–	(267,863)
At 31 December 2020	–	67,980	630,326	698,306
Accumulated amortisation				
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 1 January 2020	–	(67,769)	(102,529)	(170,298)
Charge for the year	–	(8,706)	(115,032)	(123,738)
Write-off	–	26,510	–	26,510
At 31 December 2020	–	(49,965)	(217,561)	(267,526)
Net carrying amount				
At 31 December 2020	–	18,015	412,765	430,780
At 31 December 2019	241,353	26,721	366,606	634,680

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	
	2020 S\$	2019 S\$
Goodwill	–	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 into consideration to the rapidly evolving market requirements and technological changes. The cash-generating potential from original customers and initial know-how had been gradually being displaced over the past 5 year, during which time, the Company had separately been building new market segments in metal additive manufacturing, adding revenue streams, extending customer base, and creating a suite of new proprietary technologies.

Comparative fair value assessment based on an amount obtainable in an arm's length transaction between knowledgeable and willing parties are not widely available. In management's opinion, given the change in customer segments and technological advancements, the cash-generating potential from the original Goodwill, and therefore the fair value less cost to sell is expected to be small.

Accordingly, a full impairment loss is incurred, for carrying amount of goodwill assessed as at 31 December 2020 was in excess of the carrying value.

Impairment testing of intangible assets arising from development

The Group conducted an impairment analysis of the internally generated intangible asset arising from development and was satisfied that the carrying amount of the asset exceeds the recoverable amount at 31 December 2020. Accordingly, no impairment is incurred.

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

12. Trade and other receivables

	Group	
	2020 S\$	2019 S\$
Trade receivables (current):		
Third parties	242,396	168,250
Less: Allowance for doubtful trade debts	(69,263)	(15,819)
Other receivables (current):		
Third parties	-	-
Related parties	2,018	2,018
Sales tax receivables	4,620	6,234
Refundable deposits	-	37,088
	179,771	197,771
Other receivables (non-current):		
Refundable deposits	100,635	33,527
Total trade and other receivables	280,406	231,298
Add: Amounts due from subsidiaries	-	-
Add: Cash and cash equivalents (Note 14)	128,734	50,904
Less: Sales tax receivables	(4,620)	(6,234)
Total financial assets carried at amortised cost	404,520	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.

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

	Group	
	2020 S\$	2019 S\$
Denominated in:		
United States Dollar	3,225	23,107

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements

For the financial year ended 31 December 2020

12. Trade and other receivables (cont'd)

Expected credit losses

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

	2020 S\$	2019 S\$
<i>Movement in allowance accounts:</i>		
At 1 January	15,819	16,608
Written off	—	—
(Reversal)/charge for the year (Note 7)	53,486	(789)
Exchange difference	(42)	—
At 31 December	69,263	15,819

13. Inventories

	Group	
	2020 S\$	2019 S\$
Consumables	33,953	54,313

14. Cash and cash equivalents

	Group	
	2020 S\$	2019 S\$
Cash on hand	768	500
Cash at bank	127,966	50,404
	128,734	50,904

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

14. Cash and cash equivalents (cont'd)

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

	Group	
	2020 S\$	2019 S\$
Denominated in:		
United States Dollar	4,333	8,872

15. Trade and other payables

	Group	
	2020 S\$	2019 S\$
Trade payables	392,933	353,192
Other payables		
- Non-trade payables	1,132,666	480,487
Accrued payroll to other employees	48,448	37,500
Accrued payroll to related party ⁽¹⁾	264,800	237,200
Accrued liabilities	61,110	107,361
Total trade and other payables	1,899,957	1,215,740
Add: Loans and borrowings (Note 16)	3,050,973	2,267,966
Add: Lease liabilities	867,076	1,303,413
Total financial liabilities carried at amortised cost	5,818,006	4,787,119

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

The related party⁽¹⁾ refers to the Chief Executive Officer of the Company

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

	Group	
	2020 S\$	2019 S\$
Denominated in:		
Euro	8,347	2,834
Sterling Pound	18,677	27,700
United States Dollar	392,022	214,370

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

16. Loans and borrowings

	Group	
	2020 S\$	2019 S\$
Current:		
Loan amounts due to related party ⁽¹⁾	6,667	223,499
Loan amounts due to related parties ⁽²⁾	260,000	—
Loan amounts due to external parties ⁽³⁾	736,025	655,502
Bank loans ⁽⁴⁾	99,070	58,397
	1,101,762	937,398
Non-current:		
Loan amounts due to related party ⁽¹⁾	200,000	—
Loan amounts due to related parties ⁽²⁾	931,031	1,167,030
Loan amounts due to external parties ⁽³⁾	353,141	—
Bank loans ⁽⁴⁾	465,039	163,538
	1,949,211	1,330,568
Total Loans and borrowings	3,050,973	2,267,966

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 6 and 8.00% per annum.

The bank loans ⁽⁴⁾ are secured by personal guarantees from directors of the Company and bears interest between 2.50% and 7.00% per annum.

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements For the financial year ended 31 December 2020

16. Loans and borrowings (cont'd)

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

	1 Jan 2020 S\$	Reclassification S\$	Cash receipts S\$	Payment S\$	Accretion S\$	Others S\$	31 Dec 2020 S\$
Loan amounts due to related parties	1,390,529	—	—	(32,000)	39,168	—	1,397,697
Loan amounts due to external parties	655,502	—	486,025	(100,000)	47,640	—	1,089,167
Bank loans	221,935	—	400,000	(57,826)	—	—	564,109

	1 Jan 2019 S\$	Reclassification S\$	Cash receipts S\$	Payment S\$	Accretion S\$	Others S\$	31 Dec 2020 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

	2020		2019	
	No. of shares	S\$	No. of shares	S\$
<i>Ordinary shares:</i>				
At 1 January	592,025	3,550,000	592,025	3,550,000
Share issuance during the year	—	—	—	—
At 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

In 2020, the Company has issued 33,556 preference shares at US\$18.00 each. The preference shares have been fully paid as at 31 December 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 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.

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

18. Share-based payment reserves

	Group	
	2020 S\$	2019 S\$
At 1 January	600,359	407,138
Expense recognised in profit of loss – 3DInfra Share Plan	–	193,221
Charged to subsidiaries	78,356	–
At 31 December	678,715	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.

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		Fair value of shares granted during the year S\$
	No. of performance shares outstanding as at beginning of the year	No. of performance shares granted during the year	No. of performance shares terminated during the year	No. of performance shares outstanding as at end of year	
1 January 2016	100,000	–	–	100,000	5.00
1 December 2016	16,000	–	–	16,000	12.50
1 March 2018	9,000	–	–	9,000	15.87
1 September 2019	22,000	–	–	22,000	16.81
1 November 2020		44,451	–	44,451	24.48
1 November 2020		–	(22,000)	(22,000)	5.00
1 November 2020		–	(4,000)	(4,000)	12.50
1 November 2020		–	(3,500)	(3,500)	18.87
	147,000			161,951	

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

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	
	2020 S\$	2019 S\$
Loan provided by immediate holding company	102,000	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 2020, future minimum lease rental payments under non-cancellable operating leases with an initial or remaining term of more than one year are as follows:

	2020 S\$	2019 S\$
Not later than one year	194,712	208,488
Later than one year but not later than five years	63,157	167,634
	257,869	376,452

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 2020 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 2020	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	77,825	53,586	110,985	242,396	(69,263)	173,133
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

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

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

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 2020	One year or less S\$	More than one year S\$	Total S\$
Financial assets:			
Trade and other receivables	179,771	100,635	280,406
Cash and cash equivalents	128,734	—	128,734
Total undiscounted financial assets	308,505	100,635	409,140
Financial liabilities:			
Trade payables	392,933	—	392,933
Non-trade payables	1,132,666	—	1,132,666
Accrued payroll	148,448	164,800	313,248
Accrued liabilities	61,110	—	61,110
Loans and borrowings	1,101,762	1,949,211	3,050,973
Lease liabilities	637,598	229,478	867,076
Total undiscounted financial liabilities	3,474,517	2,343,489	5,818,006
Total net undiscounted financial liabilities	(3,166,012)	(2,242,854)	(5,408,866)
2019			
Financial assets:			
Trade and other receivables	191,537	33,527	225,064
Cash and cash equivalents	50,904	—	50,904
Total undiscounted financial assets	242,441	33,527	275,968
Financial liabilities:			
Trade payables	353,192	—	353,192
Non-trade payables	480,487	—	480,487
Accrued payroll	274,700	—	274,700
Accrued liabilities	107,361	—	107,361
Loans and borrowings	937,398	1,330,568	2,267,966
Lease liabilities	659,055	707,844	1,366,899
Total undiscounted financial liabilities	2,812,193	2,038,412	4,850,605
Total net undiscounted financial liabilities	(2,569,752)	(2,004,885)	(4,574,637)

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements
For the financial year ended 31 December 2020

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.

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	
	2020 S\$	2019 S\$
Loans and borrowings (Note 16)	3,050,973	2,267,966
Lease liabilities (Note 10)	867,076	1,303,413
Less: Cash and cash equivalent (Note 14)	(128,734)	(50,904)
Net debts	3,789,315	3,520,475
Share capital	4,958,417	4,092,380
Debt-to-capital ratio	0.76	0.72

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.

3DInfra Pte. Ltd. and its controlled entities

Notes to the financial statements

For the financial year ended 31 December 2020

25. Events occurring after balance sheet date

On 18 November 2020, 3D Metalforge Limited, an Australia company (ABN 53 644 780 281) and the Company entered into an implementation agreement for the acquisition of the Company.

On the 17 February 2021, the 3D Metalforge Limited acquired 100% of the issued capital of 3D Infra Pte Ltd following the issue of 130,000,000 fully paid ordinary to the Vendors (or nominees) pursuant to the Consideration Offer.

3DInfra Pte. Ltd. and its controlled entities

**Notes to the financial statements
For the financial year ended 31 December 2020**

Directors' Declaration

In accordance with a resolution of the directors of 3DInfra Pte Ltd, I state that:

1. In the opinion of the directors:

(a) the financial statements and notes of 3DInfra Pte Ltd for the financial year ended 31 December 2020 are in accordance with the International Financial Reporting Standards and:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Matthew James Waterhouse
Director
31 March 2021

Independent Auditor's Report

To the Members of 3DInfra Pte Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of 3DInfra Pte Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *International Financial Reporting Standards*, including giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with International Financial Reporting Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the 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

We draw attention to Note 2.1 in the financial statements, which indicates that the Company incurred a net loss of SGD \$2,485,179 during the year ended 31 December 2020, and as of that date, the Company's current liabilities exceeded its total assets by SGD \$3,069,022. As stated in Note 2.1, these events or conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the International Auditing Standards 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 this financial report.

As part of an audit in accordance with ISAs, 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.

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

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

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 31 March 2021

Auditor's Independence Declaration

To the Directors of 3Dinfra Pte Ltd

In accordance with the requirements of APES 110 Code of Ethics for Professional Accountants (the Code), as lead auditor for the audit of 3Dinfra Pte Ltd for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 31 March 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

www.grantthornton.com.au

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.