Financial Statements

Osteopore International Pte. Ltd. and its subsidiaries

For the year ended 31 December 2017

Company information

Company registration number	200311327H
Registered office	2 Tukang Innovation Grove #09-06 JTC Medtech Hub Singapore 618305
Directors	Teoh Swee Hin Goh Khoon Seng
Secretary	Goh Khoon Seng
Bankers	United Overseas Bank Limited Oversea-Chinese Banking Corporation, Limited
Independent auditor	Grant Thornton Audit LLP 39 Robinson Road #14-00 Robinson Point Singapore 068911

Contents

Directors' statement
for the financial year ended 31 December 2017

The directors are pleased to present their statement to the members together with the audited financial statements of Osteopore International Pte. Ltd. ("the Company") and its subsidiaries ("the Group"), for the financial year ended 31 December 2017.

Opinion of the Directors
In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Teoh Swee Hin
Goh Khoon Seng

Arrangements to enable directors to acquire shares or debentures
Neither at the end of nor at any time during the financial year was the Company nor any of its subsidiaries party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures
According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year had any interests in shares of the Company and its related corporations, except as follows:

	Shares registered in the name of the Directors	
	At 1 January 2017	**At 31 December 2017**
Osteopore Investment Pte. Ltd. (Holding Company)		
Teoh Swee Hin	2	49,673

The above indicated registered shares do not include the shares entitled to Mr Goh as per his employment contract. The share-based payment terms are presented in note 17 of the Financial Statements.

Directors' statement
for the financial year ended 31 December 2017 (Cont'd)

Directors' benefits
Except for salaries and related costs that are disclosed in Note 5 to the financial statements, salaries and related costs since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest

Share options
There were no share options granted during the financial year to subscribe for unissued shares of the Company or of its subsidiaries.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries.

There were no unissued shares of the Company or of its subsidiaries under option at the end of the financial year.

Independent auditor
The independent auditor, Grant Thornton Audit LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

The Board of Directors

....
Teoh Swee Hin

....
Goh Khoon Seng

Dated: 24 MAY 2019

Independent auditor's report to the members of Osteopore International Pte. Ltd. and its Subsidiaries

Opinion

We have audited the financial statements of Osteopore International Pte. Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs"), so as to give a true and fair view of the consolidated financial positions of the Group and the financial position of the Company as at 31 December 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We are independent of the Group and the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 2 to the financial statements where it is stated that the Group and the Company incurred a net loss for the financial year ended 31 December 2017 of $422,202 and $351,764 respectively (2016: $964,592 and $872,834), and as at that date, the Group and the Company recorded a net capital deficiency $1,760,643 and $1,161,604 respectively (2016: $1,824,695 & $1,296,094). These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group and the Company's ability to continue as a going concern.

Independent auditor's report to the members of Osteopore International Pte. Ltd. and its Subsidiaries (Cont'd)

Material Uncertainty Related to Going Concern (Cont'd)

The Directors believe that there are reasonable grounds to believe that the Company and Group will be able to continue as going concerns after consideration of the following factors:

- The Company has raised additional capital of SGD $1,000,000 on 13 November 2018 and SGD $1,000,000 on 15 March 2019.
- The Directors have commenced the process of listing on the Australian Securities Exchange (ASX), via an Australian holding Company. On the successful listing, the Directors anticipate that there will be an additional AUD $5,000,000 capital raised and injected into the Group.

In the event that the listing is unsuccessful or further capital is not raised, and as a result the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their 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 sheets. In addition, the Group and the Company may have to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to these financial statements.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Independent auditor's report to the members of Osteopore International Pte. Ltd. and its Subsidiaries (Cont'd)

Responsibilities of Management and Directors for the Financial Statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and 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 Group and 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 Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group and the Company's audit. We remain solely responsible for our audit opinion.

Independent auditor's report to the members of Osteopore International Pte. Ltd. and its Subsidiaries (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matter

The consolidated financial statements of the Group and the Company's for the financial year ended 31 December 2016 were audited by another auditor who expressed disclaimer of opinion on those financial statements in their report dated 23 October 2017.
The matters that led to the disclaimer of opinion have been corrected by the Group and the Company during the current period and comparatives have been restated as required. Further details can be found in note 32.

Grant Thornton Audit LLP

Grant Thornton Audit LLP
Public Accountants and Chartered Accountants

Singapore, 24 MAY 2019

Consolidated statement of comprehensive income
for the financial year ended 31 December 2017

	Notes	2017 $	2016 $ (restated)
Revenue	3	**576,777**	203,047
Cost of sales		**(135,244)**	(82,113)
Gross profit		**441,533**	120,934
Other income	4	**77,370**	86,667
Selling and distribution expenses		**(57,030)**	(108,423)
Administrative expenses		**(884,075)**	(1,063,770)
Loss before taxation	5	**(422,202)**	(964,592)
Tax expenses	6	**-**	-
Loss for the year		**(422,202)**	(964,592)
Other comprehensive income		**-**	-
Total comprehensive loss		**(422,202)**	(964,592)

This statement should be read in conjunction with the notes to the financial statements.

Statements of financial position as at 31 December 2017

	Notes	2017	The Group 2016	2015
		$	$	$
			(restated)	(restated)
ASSETS				
Non-current assets				
Plant and equipment, net	7	**177,731**	200,103	175,034
Investment in associate	9	**-**	-	-
		177,731	200,103	175,034
Current assets				
Inventories	10	**22,692**	43,140	7,281
Trade receivables	11	**67,649**	24,042	117,033
Other receivables	12	**34,906**	22,806	21,723
Amount due from holding company	13	**-**	2,073	-
Cash and cash equivalents	15	**32,409**	34,672	29,443
		157,656	126,733	175,480
Total assets		**335,387**	326,836	350,514
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	16	**805,258**	605,264	605,264
Share-based payment reserve	17	**740,356**	454,096	167,051
Accumulated losses		**(3,306,257)**	(2,884,055)	(1,919,464)
		(1,760,643)	(1,824,695)	(1,147,149)
Current liabilities				
Convertible loans	18	**-**	200,000	-
Trade payables	19	**42,728**	13,308	43,786
Other payables	20	**761,769**	679,457	256,067
Amounts due to directors	21	**465,023**	444,363	391,917
Amounts due to related party	22	**294,000**	294,000	384,000
Amounts due to shareholders	23	**532,510**	519,510	421,000
Income tax payable		**-**	893	893
		2,096,030	2,151,531	1,497,663
Total liabilities		**2,096,030**	2,151,531	1,497,663
Total equity and liabilities		**335,387**	326,836	350,514

This statement should be read in conjunction with the notes to the financial statements.

Statements of financial position as at 31 December 2017 (Cont'd)

	Notes	The Company 2017 $	2016 $ (restated)	2015 $ (restated)
ASSETS				
Non-current assets				
Plant and equipment, net	7	**177,731**	200,103	175,034
Investment in subsidiary	8	**2**	2	2
Investment in associate	9	**-**	-	-
		177,733	200,105	175,036
Current assets				
Inventories	10	**22,692**	43,140	7,280
Trade receivables	11	**669,876**	265,952	531,600
Other receivables	12	**34,856**	22,756	20,567
Amount due from holding company	13	**-**	94	-
Amount due from subsidiaries	14	**-**	260,962	-
Cash and cash equivalents	15	**24,529**	27,635	18,070
		751,953	620,539	577,517
Total assets		**929,686**	820,644	752,553
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	16	**805,258**	605,264	605,264
Share-based payment reserve	17	**740,356**	454,096	167,051
Accumulated losses		**(2,707,218)**	(2,355,454)	(1,482,620)
		(1,161,604)	(1,296,094)	(710,305)
Current liabilities				
Convertible loans	18	**-**	200,000	-
Trade payables	19	**42,728**	13,308	12,764
Other payables	20	**757,029**	645,557	253,177
Amounts due to directors	21	**465,023**	444,363	391,917
Amounts due to related party	22	**294,000**	294,000	384,000
Amounts due to shareholders	23	**532,510**	519,510	421,000
Income tax payable		**-**	-	-
		2,091,290	2,116,738	1,462,858
Total liabilities		**2,091,290**	2,116,738	1,462,858
Total equity and liabilities		**929,686**	820,644	752,553

This statement should be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity
for the financial year ended 31 December 2017

	Share capital	Foreign currency translation reserve	Share-based payment reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 1 January 2016	605,264	14,645	-	(1,771,052)	(1,151,143)
Effect of correction of errors (note 32)	-	(14,645)	167,051	(148,412)	3,994
Balance at 1 January 2016 (restated)	**605,264**	**-**	**167,051**	**(1,919,464)**	**(1,147,149)**
Loss for the year	-	-	-	(348,539)	(348,539)
Effect of correction of errors (note 32)	-	-	-	(616,053)	(616,053)
Total comprehensive loss for the year (restated)	**-**	**-**	**-**	**(964,592)**	**(964,592)**
Recognition of share-based payment (Note 17)	-	-	287,046	-	287,046
Balance at 31 December 2016 (restated)	**605,264**	**-**	**454,097**	**(2,884,056)**	**(1,824,695)**
Issuance of ordinary shares	199,994	-	-	-	199,994
Total comprehensive loss for the year	-	-	-	(422,202)	(422,202)
Recognition of share-based payment (Note 17)	-	-	286,260	-	**286,260**
Balance at 31 December 2017	**805,258**	**-**	**740,357**	**(3,306,258)**	**(1,760,643)**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows
for the financial year ended 31 December 2017

	Note	The Group 2017 $	The Group 2016 $ (restated)
Cash flows from operating activities			
Loss before taxation		**(422,202)**	(964,592)
Adjustments for:			
- Depreciation of plant and equipment		**68,838**	47,935
- Impairment loss on trade receivables		**-**	42,351
- Share-based payment		**286,260**	287,045
- Foreign exchange gain		**(6)**	-
Operating cash flows before changes in working capital		**(67,110)**	(587,261)
Changes in inventories		**20,448**	(35,859)
Changes in trade receivables		**(43,607)**	50,640
Changes in other receivables		**(12,100)**	(1,082)
Changes in amount due from holding company		**2,073**	(2,073)
Changes in trade payables		**29,420**	(30,478)
Changes in other payables		**82,312**	423,390
Net cash generated from / (used in) operations		**11,436**	(182,723)
Taxation paid		**(893)**	-
Net cash generated from / (used in) operating activities		**10,543**	(182,723)
Cash flows from investing activities			
Acquisition of plant and equipment		**(46,466)**	(73,004)
Net cash used in investing activities		**(46,466)**	(73,004)
Cash flows from financing activities			
Changes in amounts due to directors		**20,660**	52,446
Changes in amounts due to related party		**-**	(90,000)
Changes in amounts due to shareholders		**13,000**	98,510
Proceed from issuance of convertible loans		**-**	200,000
Net cash generated from financing activities		**33,660**	260,956
Net (decrease) / increase in cash and cash equivalents		**(2,263)**	5,229
Cash and cash equivalents at the beginning of year		**34,672**	29,443
Cash and cash equivalents at end of year	15	**32,409**	34,672

This statement should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1 Corporate information

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on the date of the Directors' Statement.

The Company is domiciled and incorporated in Singapore. The principal place of business and registered office of the Company is located at 2 Tukang Innovation Grove, #09-06 JTC Medtech Hub, Singapore 618305.

The principal activities of the Company are manufacture of medical implants for use in surgery and trading of medical devices and implants.

There has been no significant change in the nature of these activities during the financial year.

The principal activities of the subsidiary and associate are set out in Notes 8 and 9 to the financial statements.

The immediate and ultimate holding company is Osteopore Investment Pte Ltd, a Company incorporated in Singapore.

2 Going Concern Assumption

The Group and the Company incurred a net loss for the financial year ended 31 December 2017 of $422,202 and $351,764 respectively (2016: $964,592 and $872,834), and as at that date, the Group and the Company recorded a net capital deficiency $1,760,643 and $1,161,604 respectively (2016: $1,824,695 & $1,296,094). These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group and the Company's ability to continue as a going concern.

The Directors believe that there are reasonable grounds to believe that the Company and Group will be able to continue as going concerns after consideration of the following factors:

- The Company has raised additional capital of SGD $1,000,000 on 13 November 2018 and SGD $1,000,000 on 15 March 2019.
- The Directors have commenced the process of listing on the Australian Securities Exchange (ASX), via an Australian holding Company. On the successful listing, the Directors anticipate that there will be an additional AUD $5,000,000 capital raised and injected into the Group.

In the event that the listing is unsuccessful or further capital is not raised, and as a result the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their 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 sheets. In addition, the Group and the Company may have to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to these financial statements.

2.1 Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2.1 Basis of preparation (cont'd)

The financial statements are presented in Singapore Dollar ($) which is the Group and the Company's functional currency and presentational currency. All financial information is presented in Singapore dollar, unless otherwise stated.

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Critical accounting estimates and assumptions used and areas involving a higher degree of judgement are described below.

Impairment of Loans and Receivables
Allowance for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables (including amounts due from related parties, subsidiaries and associate and excluding prepayments and advance payment). Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The indication of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimates has been changed.

Inventory valuation
Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price, being the merchandise's selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the stability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position.

Share-based payments
Equity-settled share-based payments are measured at fair value at the date of grant. Judgement is required in determining the most appropriate valuation for the shares granted, depending on the terms and conditions of the grant. The assumptions and model used are disclosed in Note 17 to the financial statements

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year the Group has adopted all new and revised FRS and INT FRS that are effective for annual periods beginning on or after 1 January 2017. The adoption of these standards and interpretations did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements.

2.3 FRS not yet effective

As at the date of authorisation of these financial statements, the following are the new or amended FRS and INT FRS that are not yet effective but may be early adopted for the current financial period:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019
INT FRS 123	Uncertainty over income tax	1 January 2019
FRS 102	Classification and Measurement of Share-based payment transactions	1 January 2018
Amendments to:		
FRS 28	Investments in associates (Long term interests in associates and joint ventures)	1 January 2019
FRS 19	Employee benefits (Plan amendments, curtailment or settlement)	1 January 2019
FRS 109	Financial instruments (Prepayment features with negative compensation)	1 January 2019
Annual improvement 2018:		
FRS 103	Business Combination (Previously held interest in joint operation)	1 January 2019
FRS 111	Joint Arrangement (Previously held interest in joint operation)	1 January 2019
FRS 112	Income taxes (Income tax consequences of payments on financial instruments classified as equity)	1 January 2019
FRS 23	Borrowing costs (Borrowing cost eligible for capitalisation)	1 January 2019
FRS 103	Amendments to Business Combination (Definition of a business)	1 January 2020
FRS 117	Insurance contracts	1 January 2021
FRS 28 & FRS 110	Investment in associates and joint venture & Consolidated financial statement (Sales or contribution of assets between an investor and its associate or joint venture)	To be determined

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

<u>FRS 115 Revenue from Contracts with Customers</u>

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

2.3 FRS not yet effective (cont'd)

FRS 115 Revenue from Contracts with Customers (Cont'd)
The new standard will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

FRS 109 Financial Instruments
FRS 109 replaces most of the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group. The directors do not anticipate that the adoption of the FRS 115 & FRS 109 in future periods will have a material impact on the financial statements of the Group in period of its initial adoption.

2.4 Summary of significant accounting policies

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised.

Sale of goods
Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes goods and services or other sales taxes and is after deduction of any trade discounts.

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. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where the grant relates to operating expenditure, the grant income is recognised on a systematic basis in the profit or loss over the periods necessary to match the related cost which they are intended to compensate.

Employee benefits
Short-term employee benefits
Short-term employee benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans
The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

2.4 Summary of significant accounting policies (cont'd)

Employee benefits(cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Share-based compensation

The Group issues equity-settled share-based payments to employees and/or others providing similar services. Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 17. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goofs or the counterparty renders the services.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's and the Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affect neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.4 Summary of significant accounting policies (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and the Group intends to settle its current tax assets and liabilities on a net basis.

Income tax (cont'd)
Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Plant and equipment
Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

	Useful lives
Computer	1 year
Furniture and Fittings	5 years
Plant and machinery	6 years
Renovation	5 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment, if any.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in the period in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided on the basis of the nearest full month and to the month before disposal, respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the profit or loss. Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

Impairment of non-financial assets
The carrying amounts of the Group and the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.4 Summary of significant accounting policies (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Impairment of non-financial assets (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and the Company determine 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 fair value through profit or loss, directly attributable transaction costs.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised when 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 is recognised in profit or loss.

Impairment of financial assets

The Group and the Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group and the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group and the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2.4 Summary of significant accounting policies (cont'd)

Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

Financial assets carried at amortised cost (cont'd)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.4 Summary of significant accounting policies (cont'd)

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes denominated in Singapore dollars that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Inventories

Inventories are stated at the lower of cost or net realisable value. Costs is calculated using the first-in-first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated necessary to make the sale.

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

Related parties

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and Company if that person:

   i. has control or joint control over the Company;
   ii. has significant influence over the Company; or
   iii. is a member of the key management personnel of the Group or Company or of a parent of the Company

b) A entity is related to the Group and the Company if any of the following conditions applies:

   i. the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
   iii. both entities are joint venture of the same third party; or
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
   v. the entity is a post-employment benefit plan for the benefit employees of either the Company or an entity related to the Company. If the Company is itself such a plan the sponsoring employer are also related to the Company; or
   vi. the entity is controlled or jointly controlled by a person identified in (a); or
   vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

2.4 Summary of significant accounting policies (cont'd)

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain executive officers are considered key management personnel.

Leases
Operating leases
Rentals payable under operating leases (net of any incentives received from lessors) are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Provisions
Provisions are recognised when the Group and the Company have 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 a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary share are deducted against the share capital account.

Currency translations
The financial statements of each of the Groups' entities are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The consolidated financial statements of the Group and statements of financial position of the Company are presented in Singapore ("$") dollar, which is also the functional currency of the Company.

Foreign currency translations
In preparing the financial statements, transactions in currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income.

However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

2.4 Summary of significant accounting policies (cont'd)

Foreign currency translations (cont'd)
When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal. Foreign exchange gains and losses that relate to borrowings are presented in the profit or loss within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

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
A subsidiary is an investee that is controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the Group the ability to direct activities that significantly affect the entity's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

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. All significant inter-company balances and transactions are eliminated on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

Associates
An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of associates. Distributions received from associates reduce the carrying amount of investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognise its share of such changes in other comprehensive income. Unrealised gains

2.4 Summary of significant accounting policies (cont'd)

Associates (cont'd)
and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of equity method, the Group determine whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3 Revenue

	The Group	
	2017	2016
	$	$ (restated)
Sale of goods	**576,777**	203,047

4 *Other income*

	The Group	
	2017	2016
	$	$
Gain on disposal of low value assets	**1,900**	2,000
Government grants	**73,333**	38,543
Sundry income	**2,137**	46,124
	77,370	86,667

5 Loss before taxation

	The Group 2017 $	The Group 2016 $ (restated)
Allowance for doubtful debts	**-**	42,351
Depreciation of plant and equipment	**68,838**	47,935
Legal and professional fees	**39,449**	135,456
Marketing expenses	**5,868**	18,539
Rental expenses – operating leases	**24,011**	24,872
Travelling and transportation expenses	**37,992**	73,001
Employee compensation expenses comprise:		
Key management personnel		
- Salaries and other related costs	**18,000**	18,000
- Share-based compensation expense	**286,260**	287,045
Other than key management personnel		
- Salaries and other related costs	**267,815**	335,580
- Contributions to defined contribution plans	**83,749**	99,548

6 Income Tax

	The Group 2017 $	The Group 2016 $ (restated)
Current year tax	**-**	-

The tax benefit on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	The Group 2017 $	The Group 2016 $ (restated)
Loss before taxation	**(422,202)**	(964,592)
Tax benefit calculated at a tax rate of 17%	**(71,774)**	(163,981)
Non-taxable income	**(323)**	(7,841)
Non-allowance expenses	**23,965**	19,426
Deferred tax assets not recognised	**48,132**	152,396
	-	-

6 Income Tax (cont'd)

The Group and the Company has unrecognised tax losses of $2,416,667 (2016: $2,026,866) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. No deferred tax assets have been recognised as at 31 December 2017, as management is of the view that there is uncertainty in the realisation of the related tax benefits through future taxable profits.

7 Plant and equipment, net

	The Group and the Company				
	Computers	Furniture and fittings	Plant and machinery	Renovation	Total
	$	$	$	$	$
The Group and Company					
Cost					
At 1 January 2016 (restated)	37,241	30,847	145,799	286,672	500,559
Additions	6,084	21,633	45,287	-	73,004
Written off	-	-	-	(91,450)	(91,450)
At 31 December 2016 (restated)	**43,325**	**52,480**	**191,086**	**195,222**	**482,113**
Additions	**26,857**	**1,536**	**18,073**	**-**	**46,466**
At 31 December 2017	**70,182**	**54,016**	**209,159**	**195,222**	**528,579**
Accumulated depreciation					
At 1 January 2016 (restated)	37,241	19,265	145,799	123,220	325,525
Depreciation for the year	2,341	5,638	911	39,045	47,935
Written off	-	-	-	(91,450)	(91,450)
At 31 December 2016 (restated)	**39,582**	**24,903**	**146,710**	**70,815**	**282,010**
Depreciation for the year	**15,196**	**6,786**	**7,812**	**39,044**	**68,838**
At 31 December 2017	**54,778**	**31,689**	**154,522**	**109,859**	**350,848**
Net book value					
At 31 December 2017	**15,404**	**22,327**	**54,637**	**85,363**	**177,731**
At 31 December 2016 (restated)	3,743	27,577	44,376	124,407	200,103

8 Investment in subsidiary

	The Company	
	2017	2016
	$	$
Unquoted equity investment, at cost	**2**	2

8 Investment in subsidiary (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary (Country of Incorporation and Place of Business)	Principal Activities	Percentage of Equity Held		Cost of Investment	
		2017	2016	2017	2016
		%	%	$	$
*Osteopore Medico Pte Ltd (Singapore)	Manufacturing of medical equipment and orthopaedic appliances, NEC	**100**	100	**2**	2

* Audited by Grant Thornton Audit LLP (Singapore)

9 Investment in associate

	The Group and the Company	
	2017	2016
	$	$ (restated)
Unquoted equity investment, at cost	**192,302**	192,302
Less: allowance for impairment	**(192,302)**	(192,302)
	-	-

Name of associate (Country of Incorporation and Place of Business)	Principal Activities	Percentage of Equity Held		Cost of Investment	
		2017	2016	2017	2016
		%	%	$	$
# Osteopore Korea Co Ltd (Korea)	Inactive	**49**	49	**192,302**	192,302

The Group invested in Osteopore Korea Co Ltd in 2007 with the objective of obtaining Korean medical device regulatory approval, conduct pre-clinical animal trails and be a distribution arm for Osteopore products. However, the associate is dormant, has been remained inactive since 2010 and is in the process of being struck off.

10 Inventories

	The Group and the Company	
	2017	2016
	$	$ (restated)
Statement of financial position:		
Raw materials - at cost	**-**	18,212
Work-in-progress – at cost	**6,181**	17,445
Finished goods - at cost	**16,511**	7,483
	22,692	43,140
Statement of profit or loss:		
Inventories recognised as an expense in cost of sales	**130,369**	53,094

11 Trade receivables

	The Group		The Company	
	2017	2016	2017	2016
	$	$ (restated)	$	$ (restated)
Third parties	**98,476**	94,220	**26,160**	41,151
Less: allowance for impairment	**(30,827)**	(70,178)	**-**	(39,351)
Due from subsidiary	**-**	-	**643,716**	264,152
	67,649	24,042	**669,876**	265,952

Trade receivables are non-interest bearing and generally on 30 (2016: 30) days terms. The table below is an aging analysis of trade receivables at the end of the reporting period:

	The Group		The Company	
	2017	2016	2017	2016
	$	$ (restated)	$	$ (restated)
Not past due	**7,675**	8,948	**169,907**	86,017
Past due 0-30 days	**26,315**	575	**80,709**	5,979
Past due 31-60 days	**850**	8,940	**850**	14,332
Past due 61 days	**32,809**	5,579	**418,410**	159,624
	67,649	24,042	**669,876**	265,952

Movement in allowance for impairment is as follows:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Balance at beginning of year	**70,178**	27,827	**39,351**	-
Allowance made during the year	**-**	42,351	**-**	39,351
Written off during the year	**(39,351)**	-	**(39,351)**	-
Balance at end of year	**30,827**	70,178	**-**	39,351

The carrying amounts of trade receivables approximate their fair values and are denominated in Singapore dollars.

12 Other receivables

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Deposits	**10,340**	10,340	**10,290**	10,290
Other receivables	**9,760**	-	**9,760**	-
Prepayments	**14,806**	12,466	**14,806**	12,466
	34,906	22,806	**34,856**	22,756

The carrying amounts of other receivables approximate their fair values and denominated in Singapore dollars.

13 Amount due from holding company

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Amount due from holding company	**25,394**	18,823	**18,954**	16,844
Less: allowance for impairment	**(25,394)**	(16,750)	**(18,954)**	(16,750)
	-	2,073	**-**	94

The amount due from holding company is non-trade related, unsecured, interest-free and repayable on demand.

Movement in allowance for impairment is as follows:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Balance at beginning of year	**16,750**	16,750	**16,750**	16,750
Allowance made during the year	**8,644**	-	**2,204**	-
Balance at end of year	**25,394**	16,750	**18,954**	16,750

The carrying amount of amount due from holding company approximate its fair value and is denominated in Singapore dollars.

14 Amount due from subsidiary

	The Group		The Company	
	2017	2016	2017	2016
	$	$ (restated)	$	$ (restated)
Amount due from subsidiary	-	-	-	260,962

The amount due from subsidiary is non-trade related, unsecured, interest-free and repayable on demand. The carrying amounts of amount due from subsidiary approximate its fair values and is denominated in Singapore dollars.

15 Cash and cash equivalents

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Cash in bank	**32,407**	34,670	**24,529**	27,635
Cash on hand	**2**	2	**-**	-
	32,409	34,672	**24,529**	27,635

The carrying amounts of cash and cash equivalents approximate their fair value and are denominated in the following currencies:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Singapore Dollar	**31,719**	33,925	**23,839**	26,888
United States Dollar	**690**	747	**690**	747
	32,409	34,672	**24,529**	27,635

16 Share capital

	2017	2016	2017	2016
	No. of ordinary shares		$	$
<u>The Group and the Company</u>				
Issued and fully paid:				
Balance at beginning of year	**132,580**	131,580	**605,264**	605,264
Issuance of shares	**10,526**	1,000	**199,994**	-
Balance at end of year	**143,106**	132,580	**805,258**	605,264

16 Share capital (cont'd)

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 restriction. The ordinary shares have no par value.

During the financial year, convertible loans were converted into 10,526 ordinary shares at $19 per share. Details of convertible loans are set out in Note 18.

17 Share-based payment reserve

The share-based payment reserve arises from the equity-settled compensation plan issues to a director, provided that the director remains in continuous employment with the Company from the date of grant.

Equity-settled compensation plan is share of common stock that vest and restricted share units are awards that will result in a payment if performance goals are achieved or the awards otherwise vest. The terms and condition of these awards are established in the employment contract. Fair value at grant date was measured at market price being 19 SGD per share. This market price has been determined based on the average transaction price over 2016,2017 and 2018.

The amounts recognised in the Group and the Company's profit or loss account for share-based compensation transactions are as follows:

	The Group and the Company	
	2017	**2016**
	$	**$**
Share-based compensation expense (Note 5)	**286,260**	287,045

The following table illustrates the movement of the number of shares entitled as follows:

	Beginning of financial period	Entitled during the financial year	Issued during the financial year	End of financial year
2015	-	8,792	-	8,792
2016	8,792	15,108	-	23,900
2017	**23,900**	**15,066**	**-**	**38,966**

18 Convertible loans

On 25 December 2016, the Company issued convertible loan notes denominated in Singapore dollars for an aggregate amount of $200,000 to its existing shareholders in proportion as nearly as practicable to their relative pro-rata shareholdings for working capital purpose. The convertible loans are interest-free and have been converted to ordinary shares at $19 per share on 31 March 2017. Refer to note 16.

19 Trade payables

	The Group		The Company	
	2017	2016	2017	2016
	$	$ (restated)	$	$ (restated)
Third parties	**42,728**	13,308	**42,728**	13,308

Trade payables amounts due to third parties are unsecured, interest-free and repayable according to credit terms, which range from 30 days (2016: 30 days).

The carrying amounts of trade payables approximate their fair values and are denominated in the following currencies:

	The Group		The Company	
	2017	2016	2017	2016
	$	$ (restated)	$	$ (restated)
Singapore Dollar	**39,626**	12,238	**39,626**	12,238
United States Dollar	**3,102**	1,070	**3,102**	1,070
	42,728	13,308	**42,728**	13,308

20 Other payables

	The Group		The Company	
	2017	2016	2017	2016
	$	$ (restated)	$	$ (restated)
Accruals	**621,629**	513,157	**617,029**	505,557
Advances received from customers	**140**	26,300	**-**	-
Advances received from third party	**140,000**	140,000	**140,000**	140,000
	761,769	679,457	**757,029**	645,557

Amount due to third parties is unsecured, interest-free and repayable on demand. The carrying amounts of other payables approximate their fair values and are denominated in Singapore Dollar.

21 Amounts due to directors

	The Group and the Company	
	2017	2016
	$	$
Amounts due to directors	**465,023**	444,363

Amounts due to directors are non-trade, unsecured, interest-free and repayable on demand. The carrying amounts approximate their fair values and are denominated in Singapore Dollar.

22 Amounts due to related party

	The Group and the company	
	2017	2016
	$	$
Amounts due to related party	**294,000**	294,000

Amounts due to related party are non-trade, unsecured, interest-free and repayable on demand. The carrying amounts approximate their fair values and are denominated in Singapore Dollar.

23 Amounts due to shareholders

	The Group and the Company	
	2017	2016
	$	$ (restated)
Amounts due to shareholders	**532,510**	519,510

Amounts due to shareholders are non-trade, unsecured, interest-free and repayable on demand. The carrying amounts approximate their fair values and are denominated in Singapore Dollar.

24 Operating lease commitments

At the end of the reporting date, the future minimum rentals payable under non-cancellable operating leases are as follows:

	The Group and the Company	
	2017	2016
	$	$
Payable within 1 Year	**28,142**	48,022
Payable within 2 to 5 Years	**-**	28,142
	28,142	76,164

The rent for office recognised as an expense and included in "Administrative expenses" amounted to $24,011 (2016: $24,872). Lease was renewed on 23 July 2018 starting from 02 August 2018 and ending on 01 August 2021.

25 Significant related parties transactions

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Sales of good to subsidiary	**-**	-	**552,353**	225,196
Purchase of license and certificate from shareholders	**-**	(16,510)	**-**	(16,510)
Sales of goods to shareholders	**12,140**	12,960	**12,140**	12,960

The remuneration for key management personnel is set out in Note 5.

26 Financial instruments – Risk management

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk (including currency risk and interest rate risk). Where appropriate, the Group's risk management policies seek to minimise potential adverse effects of these risks on the financial performance of the Company. The Directors have reviewed and agreed on policies for managing each of these risks and they are summarised below:

Credit Risk
Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade, other receivables and loan receivable from related company. For other financial assets (including cash in bank balances), the Company minimise credit risk by dealing with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. The Company trades only with recognised and creditworthy third parties. It is the Company'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 on-going basis.

26 Financial Risk Management (Cont'd)

Credit Risk (cont'd)
At the reporting date, other than as disclosed in Note 11, no allowance for impairment is required in respect of trade receivables past due and not past due, based on the creditworthiness of the counterparties and credit quality and past collection history of the customers.

At the reporting date, there is no significant concentration of credit risk with respect to its trade receivable balances. The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date. Cash at banks are placed with reputable financial institutions with high credit ratings and no history of default.

Market Risk
Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk
The Group and the Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Group and the Company does not have any formal policy for hedging against currency risk. The Group and the Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

At the end of the financial year, the group and the Company's exposure to foreign currency risk is insignificant, therefore no sensitivity analysis is presented.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in the market interest rates. Sensitivity analysis is not performed as the Group and the Company have insignificant financial assets and liabilities that are exposed to interest rate risks.

Liquidity Risk
No liquidity risk has been disclosed for the Group and Company's financial assets and financial liabilities as the Group and the Company's financial assets and financial liabilities are contractually due on demand or within one year, and the undiscounted cash flows approximate its carrying amounts as reported on the statement of financial position

27 Fair value

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.

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.

The carrying amounts of cash at bank, trade and other receivables, trade and other payables, and amounts due from/(to) related companies/parties approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

28 Categories of financial instruments

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	The Group		The Company	
	2017	2016	2017	2016
	$	$ (restated)	$	$ (restated)
Assets				
Financial assets				
Loan and receivables:				
Trade receivables	**67,649**	24,042	**669,876**	265,952
Other receivables	**20,100**	10,340	**20,050**	10,290
Amount due from holding company	-	2,073	-	94
Amount due from subsidiary	-	-	-	260,962
Cash and cash equivalents	**32,409**	34,672	**24,529**	27,635
Total financial assets	**120,158**	71,127	**714,455**	564,933
Financial Liabilities				
Financial liabilities				
At amortised cost:				
Trade payables	**42,728**	13,308	**42,728**	13,308
Other payables	**776,169**	679,457	**771,429**	645,557
Convertible loans	-	200,000	-	200,000
Amounts due to directors	**450,623**	444,363	**450,623**	444,363
Amounts due to related party	**294,000**	294,000	**294,000**	294,000
Amounts due to shareholders	**532,510**	519,510	**532,510**	519,510
Total financial liabilities	**2,096,030**	2,150,638	**2,091,290**	2,116,738

29 Capital Risk Management

The Group and the Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debts and equity balances.

The management reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group and the Company are not subject to externally imposed capital requirements. There has been no change in the objectives, policies and processes since last year.

30 Comparative figures

The consolidated financial statements of the Group and Company for the financial year ended 31 December 2016 were audited by another auditor who expressed disclaimer of opinion in their report dated 23 October 2017.

31 Subsequent events

The Company has raised additional capital of SGD $1,000,000 on 13 November 2018 and SGD $1,000,000 on 15 March 2019.

32 Restatement of prior periods

The following tables presents the errors that have been corrected by restating each of the affected financial statement line items for the prior years and certain comparative figures that have been reclassified to conform to current year's presentation.

Those corrections of errors are related to various adjustments posted to present the accounts correctly.

	The Company			
	As previously reported	Impact on correction of errors	Reclassification	As restated
	$	$	$	$
1 January 2016				
Statement of financial position				
Plant and equipment, net	128,232	35,452	11,350	175,034
Trade receivables	83,781	378,928	68,891	531,600
Amounts due from subsidiary	68,891	-	(68,891)	-
Trade payables	1,414	-	11,350	12,764
Other payables	99,008	154,169	-	253,177
Amounts due to shareholders	573,002	(152,002)	-	421,000
Statement of changes in equity				
Accumulated losses	(1,727,781)	245,160	-	(1,482,621)
Share-based payment reserve	-	167,051	-	167,051
31 December 2016				
Statement of profit or loss				
Cost of sales	(16,013)	(6,034)	(60,066)	(82,113)
Selling and distribution expenses	(112,520)	-	4,098	(108,422)
Administrative expenses	(520,822)	(588,898)	55,968	(1,053,752)
Statement of financial position				
Plant and equipment, net	160,279	39,824	-	200,103
Inventories	39,619	3,521	-	43,140
Trade receivables	1,800	-	264,152	265,952
Amounts due from subsidiary	146,186	378,928	(264,152)	260,962
Other payables	(192,118)	(453,439)	-	(645,557)
Amounts due to shareholders	(663,002)	143,492	-	(519,510)
Statement of changes in equity				
Accumulated losses	(2,005,683)	(349,771)	-	(2,355,454)
Share-based payment reserve	-	454,096	-	454,096

	The Group			
	As previously reported	Impact on correction of errors	Reclassification	As restated
	$	$	$	$
1 January 2016				
Statement of financial position				
Plant and equipment, net	128,232	35,452	11,350	175,034
Investment in associate	29,290	(29,290)	-	-
Trade receivables	83,820	-	33,213	117,033
Amounts due from subsidiary	-	-	-	-
Trade payables	1,413	-	42,373	43,786
Other payables	102,038	154,169	(140)	256,067
Amounts due to shareholders	573,002	(152,002)	-	421,000
Statement of changes in equity				
Accumulated losses	(1,771,052)	(148,412)	-	(1,919,464)
Foreign currency translation reserve	14,645	(14,645)	-	-
Share-based payment reserve	-	167,051	-	167,051
31 December 2016				
Statement of profit or loss				
Revenue	224,166	(21,120)	-	203,046
Cost of sales	(16,013)	(6,034)	(60,066)	(82,113)
Selling and distribution expenses	(112,520)	-	4,098	(108,422)
Administrative expenses	(530,839)	(588,900)	55,968	(1,063,771)
Statement of financial position				
Plant and equipment, net	160,279	39,824	-	200,103
Inventories	39,619	3,521		43,140
Trade receivables	45,162	(21,120)		24,042
Other payables	(226,018)	(453,439)	-	(679,457)
Amounts due to shareholders	(663,002)	143,492	-	(519,510)
Statement of changes in equity				
Accumulated losses	(2,119,591)	(764,464)	-	(2,884,055)
Foreign currency translation reserve	14,645	(14,645)	-	-
Share-based payment reserve	-	454,096	-	454,096