Registration Number: 201528785G
PRESTIGE BIOPHARMA PTE. LTD.
AND ITS SUBSIDIARIES
(Incorporated in the Republic of Singapore)

Annual Report
For the financial year ended 30 June 2018

PRESTIGE BIOPHARMA PTE. LTD. AND ITS SUBSIDIARIES

ANNUAL REPORT

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PRESTIGE BIOPHARMA PTE. LTD. AND ITS SUBSIDIARIES

ANNUAL REPORT

CORPORATE DATA

Directors	:	Park Soyeon Michael Kim Jinwoo Tan Ting Yong
Secretary	:	Goldie Discipulo Rojas
Registered Office	:	2 Science Park Drive #04-13/14 Ascent Singapore 118222
Company Registration No.	:	201528785G
Direct subsidiaries	:	Prestige BioPharma Australia Pty Ltd Prestige BioPharma Belgium BVBA
Independent Auditor	:	Brandon Soh & Associates PAC 1 Maritime Square #12-06 HarbourFront Centre Singapore 099253
Bankers	:	OCBC Bank UOB Bank

The directors are pleased to present the statement to the members together with the audited consolidation financial statements of Prestige Biopharma Pte. Ltd. ("the Company") and its subsidiaries (collectively known as "the Group") for the financial year ended 30 June 2018.

1. Opinion of the directors

In the opinion of the directors,

(a) the balance sheet 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 30 June 2018 and the financial performance, changes in equity and cash flows of the Company and of the Group for the year then ended; 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.

2. Directors

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

Park Soyeon	
Michael Kim Jinwoo	
Tan Ting Yong	(Appointed on 3 November 2017)

3. Arrangements to enable directors to acquire shares and debentures

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

4. Directors' interests in shares and debentures

According to the register of directors' shareholding kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 ("the Act"), the directors of the Company who held office at the end of the financial year had no interest in the shares or debentures of the Company and its related corporations except as stated below:

Name of directors in which interests are held	Holdings at start of the year	Holdings at end of the year
Park Soyeon		
- Ordinary shares	3,304,031	3,217,013
Michael Kim Jinwoo		
- Ordinary shares	3,304,031	3,217,013

5. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no directors of the Company, who held office at the end of the financial year, has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the directors, or with a firm of which the directors are member, or with a company in which the directors have substantial financial interest.

6. Share options

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

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

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

7. Auditors

The auditors have expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

....
PARK SOYEON
Director

....
MICHAEL KIM JINWOO
Director

Date: 28 DEC 2018

BRANDON SOH
& ASSOCIATES PAC
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

NO. 1 MARITIME SQUARE
#12-06 HARBOURFRONT CENTRE
SINGAPORE 099253
TEL: +65 6221 4246

Independent auditor's report

Members of the Company
Prestige Biopharma Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Prestige Biopharma 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 30 June 2018, 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.

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 position of the Group and the financial position of the Company as at 30 June 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the corporate data and the Director's Statement but does not include the financial statements and our auditor's report thereon.

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

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

BRANDON SOH
& ASSOCIATES PAC

Independent auditor's report (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

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

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

The director's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

BRANDON SOH
& ASSOCIATES PAC

Independent Auditor's Report (continued)

Report on the Audit of Financial Statements (continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

We communicate with the director 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.

Brandon Soh & Associates PAC

BRANDON SOH & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore

Date: 28 DEC 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	<------ Group ------>		<----- Company ----->	
		2018	2017	**2018**	2017
		USD	USD	**USD**	USD
ASSETS			(Restated)		(Restated)
Non-current assets					
Plant and equipment	4	**789,205**	273,446	**789,205**	273,446
Intangible assets	5	**22,399,926**	7,627,899	**22,399,926**	7,627,899
Loans due from related parties	6	**4,146,102**	6,215,171	**4,146,102**	6,215,171
Investments in subsidiaries	7	**--**	--	**56,893**	--
Other investment	8	**4,700,000**	--	**4,700,000**	--
		32,035,233	14,116,516	**32,092,126**	14,116,516
Current assets					
Trade receivables	9	**1,000,000**	--	**1,000,000**	--
Other receivables	10	**288,483**	261,235	**290,146**	261,235
Cash at bank	11	**3,336,384**	4,736,807	**3,278,094**	4,736,807
		4,624,867	4,998,042	**4,568,240**	4,998,042
Total assets		**36,660,100**	19,114,558	**36,660,366**	19,114,558
EQUITY					
Share capital	12	**28,198,489**	10,898,489	**28,198,489**	10,898,489
Translation reserve	13	**1,877**	--	**--**	--
Accumulated losses		**(4,400,063)**	(1,799,765)	**(4,387,075)**	(1,799,765)
Total equity		**23,800,303**	9,098,724	**23,811,414**	9,098,724
LIABILITIES					
Non-current liabilities					
Other payables	15	**1,350,239**	53,283	**1,350,239**	53,283
Loans and borrowings	16	**448,107**	434,754	**448,107**	434,754
		1,798,346	488,037	**1,798,346**	488,037
Current liabilities					
Trade payables	14	**2,894,968**	2,822,497	**2,884,123**	2,822,497
Other payables	15	**697,975**	895,766	**697,975**	895,766
Loans and borrowings	16	**7,468,508**	5,809,534	**7,468,508**	5,809,534
		11,061,451	9,527,797	**11,050,606**	9,527,797
Total liabilities		**12,859,797**	10,015,834	**12,848,952**	10,015,834
Total equity and liabilities		**36,660,100**	19,114,558	**36,660,366**	19,114,558

The accompanying notes form an integral part of these financial statements.

PRESTIGE BIOPHARMA PTE. LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the financial year ended 30 June 2018

	Note	2018 USD	2017 USD (Restated)
Revenue		**1,000,000**	--
Other income	17	**1,352,172**	984,585
Employees' benefits expenses		**(995,963)**	(65,204)
Research expenses		**(815,011)**	(330,576)
Laboratory expenses		**(127,814)**	(71,482)
Depreciation expense	4	**(218,720)**	(100,108)
Amortisation expense	5	**(504,763)**	(504,674)
Other operating expenses		**(165,381)**	(242,190)
Results from operations		**(475,480)**	(329,649)
Finance expenses	18	**(2,124,818)**	(1,014,663)
Loss before tax		**(2,600,298)**	(1,344,312)
Income tax expenses	20	--	--
Loss for the year	19	**(2,600,298)**	(1,344,312)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operation		**1,877**	--
Other comprehensive income for year, net of tax		**1,877**	--
Total comprehensive income for the year, attributable to the owners of the Company		**(2,598,421)**	(1,344,312)

The accompanying notes form an integral part of these financial statements.

PRESTIGE BIOPHARMA PTE. LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 June 2018

	Share capital USD	Translation reserve USD	Accumulated losses USD	Total USD
At 1 July 2016	4,898,489	--	(455,453)	4,443,036
Total comprehensive income				
Loss for the year, as previously reported	--	--	(1,419,581)	(1,419,581)
Prior year adjustment (refer to note 27)	--	--	75,269	75,269
Loss for the year, as restated	--	--	(1,344,312)	(1,344,312)
Other comprehensive income	--	--	--	--
Total comprehensive income for the year	--	--	(1,344,312)	(1,344,312)
Transactions with owners				
Issuance of shares	6,000,000	--	--	6,000,000
Total transactions with owner	6,000,000	--	--	6,000,000
At 30 June 2017, as restated	10,898,489	--	(1,799,765)	9,098,724
At 1 July 2017, as restated	**10,898,489**	--	**(1,799,765)**	**9,098,724**
Total comprehensive income				
Loss for the year	--	--	**(2,600,298)**	**(2,600,298)**
	--	--	**(2,600,298)**	**(2,600,298)**
Other comprehensive income				
Foreign currency translation differences	--	**1,877**	--	**1,877**
	--	**1,877**	--	**1,877**
Total comprehensive income for the year	--	**1,877**	**(2,600,298)**	**(2,598,421)**
Transactions with owners				
Issuance of shares (note 12 and 16)	**17,300,000**	--	--	**17,300,000**
Total transactions with owner	**17,300,000**	--	--	**17,300,000**
At 30 June 2018	**28,198,489**	**1,877**	**(4,400,063)**	**23,800,303**

The accompanying notes form an integral part of these financial statements.

PRESTIGE BIOPHARMA PTE. LTD. AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 June 2018

	Share capital USD	Accumulated losses USD	Total USD
At 1 July 2016	4,898,489	(455,453)	4,443,036
Total comprehensive income			
Loss for the year, as previously reported	--	(1,419,581)	(1,419,581)
Prior year adjustments (refer to note 27)	--	75,269	75,269
Loss for the year, as restated	--	(1,344,312)	(1,344,312)
Other comprehensive income	--	--	--
Total comprehensive income for the year	--	(1,344,312)	(1,344,312)
Transactions with owners			
Issuance of shares	6,000,000	--	6,000,000
Total transactions with owners	6,000,000	--	6,000,000
At 30 June 2017, as restated	10,898,489	(1,799,765)	9,098,724
At 1 July 2017, as restated	**10,898,489**	**(1,799,765)**	**9,098,724**
Total comprehensive income			
Loss for the year	--	**(2,587,310)**	**(2,587,310)**
Other comprehensive income	--	--	--
Total comprehensive income for the year	--	**(2,587,310)**	**(2,587,310)**
Transactions with owners			
Issuance of shares (note 11)	**17,300,000**	--	**17,300,000**
Total transactions with owners	**17,300,000**	--	**17,300,000**
At 30 June 2018	**28,198,489**	**(4,387,075)**	**23,811,414**

The accompanying notes form an integral part of these financial statements.

PRESTIGE BIOPHARMA PTE. LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2018

	Note	2018 USD	2017 USD (Restated)
Cash flows from operating activities			
Loss before tax		**(2,600,298)**	(1,344,312)
Adjustments for:			
Depreciation of plant and equipment	4	**218,720**	100,108
Amortisation of intangible assets	5	**504,763**	504,674
Interest expense	18	**2,124,818**	1,067,663
Interest income	17	**(1,337,428)**	(983,635)
		(1,089,425)	(655,502)
Changes in working capital:			
Trade and other receivables		**(1,026,424)**	(240,850)
Trade and other payables		**84,820**	2,695,229
Exchange differences arising from consolidation		**3,647**	--
Net cash (used in)/from operating activities		**(2,027,382)**	1,798,877
Cash flows from investing activities			
Acquisition of plant and equipment		**(722,706)**	(106,777)
Development expenditure		**(15,276,790)**	(3,430,328)
Net cash used in investing activities		**(15,999,496)**	(3,537,105)
Cash flows from financing activities			
Interest paid		**(1,168,386)**	(258,129)
Proceeds from:			
- Issuance of share		**--**	6,000,000
- Loans and borrowings		**21,000,000**	5,000,000
Repayment of loans			
- Loans and borrowings		**(3,000,000)**	(2,026,298)
- Hire purchases		**(1,478)**	--
Movements in amounts due to:			
- Related parties		**1,296,956**	(1,224)
- Directors		**(210,140)**	(40,512)
Increase in loans due from related parties		**(1,293,503)**	(2,932,062)
Net cash from financing activities		**16,623,449**	5,741,775
Net increase in cash at bank		**(1,403,429)**	4,003,547
Cash at bank at 1 July		**4,736,807**	733,260
Effect of exchange rate fluctuation		**3,006**	--
Cash at bank as at 30 June	11	**3,336,384**	4,736,807

Significant non-cash transaction

In the current year, a loan due to a shareholder amounted to USD 17,300,000 was converted to 907,545 ordinary shares at USD 19.06 per share.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the consolidated financial statements and should be read in conjunction with the accompanying consolidated financial statements.

1 General

PRESTIGE BIOPHARMA PTE. LTD. ("the Company") is incorporated in the Republic of Singapore with its registered office and place of business at 2 Science Park Drive, #04-13/14 Ascent, Singapore 118222.

The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as the "Group").

The principal activities of the Company are research and experimental development on medical technologies, and general wholesale trade.

2 Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The consolidated financial statements are presented in the United States dollar ("USD"), which is the Group and the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest dollar, unless otherwise indicated.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 July 2017. The adoption of these standards did not have any material effect on the financial statements.

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following standards that have been issued but not yet effective:

	Effective for annual periods beginning on or after
Amendments to FRS 102 *Classification and Measurement of Share-based Payment Transactions*	1 Jan 2018
Amendments to FRS 40 *Transfers of Investment Property*	1 Jan 2018
FRS 109 *Financial Instruments*	1 Jan 2018
FRS 115 *Revenue from Contracts with Customers*	1 Jan 2018
FRS 116 *Leases*	1 Jan 2019

2 Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

	Effective for annual periods beginning on or after
Improvements to FRSs (December 2016)	1 Jan 2018
INT FRS 122 *Foreign Currency Transactions and Advance Consideration*	1 Jan 2018
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 Jan 2019
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for FRS 109, 115 and 116, 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, 109 and 116 are described below:

<u>FRS 109 Financial Instruments</u>

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group and the Company plan to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group and the Company have performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group and the Company adopt FRS 109 in 2018.

<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 and introduces new contract cost guidance. Under FRS 115, 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. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group and the Company have performed a preliminary assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group and the Company adopt FRS 115 in 2018.

2 Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019.

The Group and the Company have performed a preliminary impact assessment of the adoption of FRS 116 and the adoption of FRS 116 is not expected to have a significant impact on the Group and the Company.

2.4 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest ("NCI") and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Transactions eliminated consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. These financial statements consolidated on a line by line basis, incorporate the results, assets and liabilities of the Company and its subsidiaries.

2 Summary of significant accounting policies (continued)

2.4 Basis of consolidation (continued)

(iv) Subsidiaries in the separate financial statements

Investment in subsidiaries is stated in the Company's statement of financial position at cost less accumulated impairment losses.

2.5 Foreign currency transactions and balances

(i) Foreign currency transactions

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

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

(ii) Foreign operations

The assets and liabilities from foreign operations are translated to United States dollar at exchange rates at the reporting date. The income and expenses of foreign operations are translated to United States dollar at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income ("OCI"). Since 1 July 2017, the Group's adoption of FRS, such differences have been recognised in the foreign currency translation reserve ("translation reserve") in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is attributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

2 Summary of significant accounting policies (continued)

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 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 included as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful life.

The estimated useful life is as follows:

	Useful lives
Laboratories equipment	3 years
Furniture and fittings	3 years
Renovation	3 years
Office equipment	3 years

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

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year that asset is derecognised.

2.7 Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

(i) Intellectual property

The Group and the Company recognise an intangible asset arising from its acquisition of a certain medical technology. Subsequent to initial recognition, the intangible asset is measured at cost, less accumulated amortisation and accumulated impairment losses.

2 Summary of significant accounting policies (continued)

2.7 Intangible assets (continued)

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, scientific research services and medical studies that are directly attributable to preparing the assets for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development cost is measured at cost less accumulated amortisation and accumulated impairment losses.

Development in-progress is stated at cost. Expenditure directly attributable to development in-progress is capitalised when incurred. Amortisation will commence when the asset is ready for use.

(iii) Patents

Costs related to filing and pursuing patents applications are capitalised and are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

(v) Amortisation

Amortisation is calculated based n the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

	Useful lives
Intellectual property	10 years
Patents	10 years
Capitalised development cost	10 years

Amortisation methods and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

2 Summary of significant accounting policies (continued)

2.8 Impairment

(i) 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 assets, 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 it's 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.

(ii) Financial assets

The Group 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 first assesses whether objective evidence of impairment exists individually for financial assets that are individually significantly, or collectively for financial assets that are not individually significant. If the Group 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.

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 assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest value. 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.

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

2 Summary of significant accounting policies (continued)

2.8 Impairment (continued)

(ii) Financial assets (continued)

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.

2.9 Financial Instruments

(i) 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 a fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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 loss. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise trade and other receivables, loans due from related parties and cash at bank.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition 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 in other comprehensive income is recognised in profit or loss.

(ii) 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 (continued)

2.9 Financial Instruments (continued)

(ii) Financial liabilities (continued)

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 or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

These financial liabilities comprise trade and other payables and loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another form 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.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and are subject to an insignificant risk of changes in value.

2.11 Provisions

General

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. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 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 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 Company or of a parent of the Company.

2 Summary of significant accounting policies (continued)

2.12 Related parties (continued)

(b) An entity is related to 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).

(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).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(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 a parent of the entity).

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and that revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivables, 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:

License fee

Revenue is recognised over the rights granted and services provided based on milestones stipulated in the contract.

2.14 Employee benefits

(i) Defined contribution plans

The Company makes contributions to the Central Provident Fund 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.

(ii) Short-term employee benefits

Short-term employee benefit obligations 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 if the Company 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.

2 Summary of significant accounting policies (continued)

2.15 Finance expenses

Finance expenses comprise interest expense on loans and borrowings. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Operating leases

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

2.17 Share capital

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, net of any tax effects.

2.18 Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) 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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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.

(ii) Deferred tax

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

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 the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax asset is not recognised for temporary differences on the initial recognition of the assets or liabilities in a transaction that is not a business combination and that affects neither accounting not taxable profit or loss. 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 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.

2 Summary of significant accounting policies (continued)

2.18 Taxes (continued)

(ii) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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 assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) 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.

The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

3 Significant accounting judgements and estimates

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3 Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

a) Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes in account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly.

The carrying amount of the Group's and the Company's plant and equipment as at the reporting date was USD 789,205 (2017: USD 273,446).

b) Useful lives of intangible assets

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of amortisation expenses to be recorded at each financial period.

The carrying amount of the Group's and the Company's intangible assets as at the reporting date was USD 22,399,926 (Restated 2017: USD 7,627,899).

c) Impairment of trade receivables

The impairment of trade receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of the Group's and the Company's trade receivables as at reporting date was USD 1,000,000 (2017: USD Nil).

d) Provision for income taxes

The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made.

4 Plant and equipment

	Laboratory equipment USD	Office equipment USD	Furniture and fittings USD	Renovation USD	Total USD
Group and Company					
Cost					
At 1 July 2016	291,030	--	--	--	291,030
Additions	--	--	23,029	83,748	106,777
At 30 June 2017	291,030	--	23,029	83,748	397,807
At 1 July 2017	**291,030**	**--**	**23,029**	**83,748**	**397,807**
Additions	**697,870**	**18,709**	**3,736**	**14,164**	**734,479**
At 30 June 2018	**988,900**	**18,709**	**26,765**	**97,912**	**1,132,286**
Accumulated depreciation					
At 1 July 2016	24,253	--	--	--	24,253
Depreciation charged for the year	97,010	--	640	2,458	100,108
At 30 June 2017	121,263	--	640	2,458	124,361
At 1 July 2017	**121,263**	**--**	**640**	**2,458**	**124,361**
Depreciation charged for the year	**173,711**	**3,494**	**8,877**	**32,638**	**218,720**
At 30 June 2018	**294,974**	**3,494**	**9,517**	**35,096**	**343,081**
Carrying amount					
At 30 June 2018	**693,926**	**15,215**	**17,248**	**62,816**	**789,205**
At 30 June 2017	169,767	--	22,389	81,290	273,446

(i) Office equipment with carrying amount of USD 9,300 (2017: USD Nil) was financed through hire purchase creditor (Note 15).

During the financial year, the Group acquired office equipment with an aggregate cost of USD 11,773 (2017: USD Nil) which was acquired by means of hire purchase. The cash outflow on acquisition of office equipment was USD Nil (2017: USD Nil).

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5 Intangible assets

	Intellectual property (a) USD	Development cost in-progress (b) USD	Patents USD	Total USD
Group and Company				
Cost				
At 1 July 2016	4,978,132	--	58,803	5,036,935
Additions	--	3,418,299	12,029	3,430,328
At 30 June 2017, as restated	4,978,132	3,418,299	70,832	8,467,263
At 1 July 2017, as restated	**4,978,132**	**3,418,299**	**70,832**	**8,467,263**
Additions	--	15,273,323	3,467	15,276,790
At 30 June 2018	**4,978,132**	**18,691,622**	**74,299**	**23,744,053**
Accumulated amortisation				
At 1 July 2016	331,875	--	2,815	334,690
Amortisation charged for the year	497,813	--	6,861	504,674
At 30 June 2017, as restated	829,688	--	9,676	839,364
At 1 July 2017, as restated	**829,688**	**--**	**9,676**	**839,364**
Amortisation charged for the year	**497,813**	--	**6,950**	**504,763**
At 30 June 2018	**1,327,501**	--	**16,626**	**1,344,127**
Carrying value				
At 30 June 2018	**3,650,631**	**18,691,622**	**57,673**	**22,399,926**
At 30 June 2017, as restated	4,148,444	3,418,299	61,156	7,627,899

(a) Intellectual property ("IP") relates to a certain medical technology that was developed and invented by a third party, Hanwha Chemical Corporation ("HWCC"), a Korean corporation. HWCC and a related party, Prestige BioResearch Pte. Ltd. ("PBR") (previously known as PWG Genetics Pte. Ltd.), a Singapore registered entity, entered into an Asset Purchase Agreement ("AP Agreement") to acquire the IP for a purchase consideration of KRW 5,500,000,000 (equivalent to USD 4,978,132) to be settled over 2 payments i.e. an upfront payment and a final payment.

A series of amendments ("the Amendments") were made to the original AP Agreement which included clarification of certain issues on the IP, request for additional time by each party and additional intellectual property. PBR had then paid the upfront payment but not the final payment while HWCC had completed the transfer of the IP but not the transfer of the IP patents.

On 13 November 2015, the Group, PBR and HWCC entered into a Novation Agreement to novate the IP rights to the Group. Under the terms of the Novation Agreement, PBR transferred all its rights, benefits, obligations and liabilities under the AP Agreement and Amendments to the Group; and HWCC agreed to perform all the remaining obligations under the AP Agreement and Amendments after the Group complete the final payment in place of PBR. Accordingly, both the upfront and final payments of the IP were settled by the Group's directors on behalf of the Group.

The Group then recorded the IP in its books and recognise as an intangible asset in the statement of financial position. As at the reporting date, after management's assessment of the recoverable amount of the intangible assets, no impairment was necessary.

5 Intangible assets (continued)

(b) Development costs in-progress are expenditures which the Group undertook to develop new medical products i.e. HD201. These expenditures are capitalised as intangible assets in the statement of financial position as the products are expected to be commercially viable.

Upon the completion of the commercialisation of these products, these development costs are charged to the profit or loss as amortisation expenses based on the useful life of the assets on a straight-line basis.

As at the reporting date, management assessed the recoverable amount of the intangible assets and concluded no impairment was necessary.

6 Loans due from related parties

	2018 USD	2017 USD
Group and Company		
Non-current asset		
Loan 1	**715,629**	1,897,400
Loan 2	**3,430,473**	4,317,771
	4,146,102	6,215,171

(a) Loan 1

	2018 USD	2017 USD
At 1 July	**1,897,400**	--
Loan utilised	**2,970,000**	1,730,000
Converted to common shares (note 8)	**(4,700,000)**	--
Interest accrued	**548,229**	167,400
At 30 June	**715,629**	1,897,400

In the prior year, subsequent to the approval of the shareholders' resolution passed, the Group entered into a loan agreement with a related party, an entity incorporated in the Republic of Korea where the directors of the Group have interest in. In this agreement, a term loan facility of USD 1,730,000 was availed and utilised by the related party.

The interest of these loans was charged at 1.5% to 3% per month and had a tenure up to 10 years from the date of disbursement. Accordingly, it was classified as a non-current asset as at the reporting date.

The Group is entitled an option to convert the loan and related accrued or outstanding interest into the common shares of the related party upon mutual agreement for the conversion price any time during the tenure of the loan. The directors of the Group have the option to either waive or convert the interest into common shares of the related party.

On 21 August 2017, another term loan facility of USD 2,970,000 was availed to and utilised by the related party.

During the year, the Group exercised the option to convert the outstanding principle loan into preference shares of the related party (see note 8).

6 Loans due from related parties (continued)

(b) Loan 2

	2018 USD	2017 USD
At 1 July	**4,317,771**	2,299,474
Loan utilised	**812,820**	1,244,754
Repayment during the year	**(2,524,568)**	--
Interest accrued	**789,199**	816,235
Exchange gain/(loss)	**35,251**	(42,692)
At 30 June	**3,430,473**	4,317,771

In the prior year, additional term loans of $70,200 (equivalent to USD 50,870) and USD 1,193,884 were availed to and utilised by the related party.

The interest of these loans was charged at 3% per month for the first month for the first USD 2,000,000 and 2% per month thereafter. For the following USD 460,000 and $1,464,200, the rate of interest of these loans were charged at 3% per month. These loans had a tenure up to 10 years from the date of disbursement.

During the year, additional new loans of $700,000 (equivalent to USD 512,820) and USD 300,000 were availed to and utilised by the related party. The interest of these new loans is charged at 2% to 3% per month. These loans have a tenure up to 10 years from the date of disbursement.

As at the reporting date, loans due from related parties are denominated in the following currencies:

	2018 USD	2017 USD
United States dollar	**3,750,937**	4,799,300
Singapore dollar	**395,165**	1,415,871
	4,146,102	6,215,171

7 Investment in subsidiaries

	2018 USD	2017 USD
Company		
Unquoted ordinary shares, at cost		
At 1 July	--	--
Acquisition	**56,893**	--
At 30 June	**56,893**	--

7 Investment in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective Interest held 2018 %	Cost of investment 2018 USD
Prestige Biopharma Australia Pty Ltd	Scientific research services	Australia	100	74
Prestige Biopharma Belgium BVBA	Scientific research services	Belgium	100	56,819
				56,893

8 Other investment

	2018 USD	2017 USD
Group and Company		
Unquoted ordinary shares, at cost		
At 1 July	--	--
Acquisition	4,700,000	--
At 30 June	4,700,000	--

During the year, the Group exercised the option to convert the principle loan into preference shares of the related party. Upon conversion, the total shareholdings of the Group in the related party approximate to 4.9%. Accordingly, management has classified these shares as "other investment" in the statement of financial position.

9 Trade receivables

	2018 USD	2017 USD
Group and Company		
Trade receivables:		
- A third party	1,000,000	--

Trade receivables are non-interest bearing and are normally settled on 30 to 90 days and are not past due as at the reporting date. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

As at the reporting date, the carrying amounts of trade receivables are denominated in United States dollar.

10 Other receivables

	Group 2018 USD	Group 2017 USD	Company 2018 USD	Company 2017 USD
Third parties:				
- Deposits	**46,020**	42,741	**46,020**	42,741
- Prepayments	**18,449**	--	**18,449**	--
- GST receivables	**210,533**	218,494	**210,060**	218,494
- Others	**74**	--	--	--
	275,076	261,235	**274,529**	261,235
Related parties:				
- A director-related company	**13,407**	--	**13,407**	--
- A subsidiary	--	--	**2,210**	--
	13,407	--	**15,617**	--
	288,483	261,235	**290,146**	261,235

The currency profile of other receivables as at the reporting date is as follows:

	Group 2018 USD	Group 2017 USD	Company 2018 USD	Company 2017 USD
Singapore dollar	**287,936**	261,235	**287,936**	261,235
Euro	--	--	**2,210**	--
Australian dollar	**547**	--	--	--
	288,483	261,235	**291,146**	261,235

11 Cash at bank

The currency profile of cash at bank as at the reporting date is as follows:

	Group 2018 USD	Group 2017 USD	Company 2018 USD	Company 2017 USD
United States dollar	**3,259,467**	4,614,786	**3,259,467**	4,614,786
Singapore dollar	**18,627**	122,021	**18,627**	122,021
Euro	**58,290**	--	--	--
	3,336,384	4,736,807	**3,278,094**	4,736,807

12 Share capital

	Note	No. of shares (2018)	2018 USD	No. of shares (2017)	2017 USD
Issued and fully paid ordinary shares					
At 1 July		**6,961,367**	**10,898,489**	6,608,062	4,898,489
Issuance of shares at USD 13.36 and USD 17.96 per share	(i)	--	--	353,305	6,000,000
Issuance of shares at USD 19.06 per share	(ii)	**907,545**	**17,300,000**	--	--
At 30 June		**7,868,912**	**28,198,489**	6,961,367	10,898,489

12 Share capital (continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

(i) In prior year, the Company issued 74,850 and 278,455 ordinary shares at USD 13.36 and USD 17.96 per share respectively. A total cash consideration of USD 6,000,000 was injected as ordinary shares of the Company.

(ii) On 30 May 2018, pursuant to the directors' and shareholders' resolutions, the Company converted an amount of USD 17,300,000 owing to a shareholder to 907,545 ordinary shares at USD 19.06 per share (see note 16).

13 Translation reserve

Translation reserve represents foreign 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.

14 Trade payables

	Group		Company	
	2018	2017	**2018**	2017
	USD	USD	**USD**	USD
Trade payables:				
- Third parties	**2,894,968**	2,156,555	**2,884,123**	2,156,555
- A related party	**--**	665,942	**--**	665,942
	2,894,968	2,822,497	**2,884,123**	2,822,497

Trade payables are non-interest bearing and are normally settled on 30 to 90 days.

The currency profile of trade payables as at the reporting date is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	USD	USD	**USD**	USD
United States dollar	**2,324,401**	1,926,000	**2,324,401**	1,926,000
Singapore dollar	**300,630**	781,967	**300,630**	781,967
Euro	**157,305**	--	**151,663**	--
Korean Won	**107,429**	114,530	**107,429**	114,530
Australian dollar	**5,203**	--	**--**	--
	2,894,968	2,822,497	**2,884,123**	2,822,497

15 Other payables

	2018 USD	2017 USD
Group and Company		
Non-current liabilities		
Amount due to related parties	**1,350,239**	53,283
Current liabilities		
Amount due to directors	**673,023**	883,163
Accruals	**24,952**	12,603
	697,975	895,766
	2,048,214	949,049

Amount due to related parties were non-trade in nature, unsecured, interest-free and no fixed repayment term. Accordingly, it was classified as "non-current" liabilities in the statement of financial position as at the reporting date.

Amount due to directors are non-trade in nature, unsecured, interest-free and are repayable on demand.

The currency profile of other payables as at the reporting date is as follows:

	2018 USD	2017 USD
Group and Company		
United States dollar	**337**	--
Singapore dollar	**2,047,877**	949,049
	2,048,214	949,049

16 Loans and borrowings

		2018 USD	2017 USD
Group and Company			
Non-current liabilities			
Hire purchase creditor	(a)	**8,577**	--
Loan I	(b)	**439,530**	434,754
		448,107	434,754
Current liabilities			
Hire purchase creditor	(a)	**2,542**	--
Loan II	(c)	**--**	3,699,534
Loan III	(d)	**1,404,466**	2,110,000
Loan IV	(e)	**6,061,500**	--
		7,468,508	5,809,534

16 Loans and borrowings (continued)

(a) Hire purchase creditor

The Group and the Company have obligations under finance leases arrangement that are repayable as follows:

	Principal USD	Interest USD	Payments USD
2018			
Repayable within 1 year	**2,542**	**356**	**2,898**
Repayable after 1 year but within 5 years	**8,577**	**1,201**	**9,778**
	11,119	**1,557**	**12,676**

(b) Loan I

	2018 USD	2017 USD
At 1 July	**434,754**	444,744
Exchange gain/(loss)	**4,776**	(9,990)
At 30 June	**439,530**	434,754

On 5 January 2016, the Group entered into a loan agreement with a related party, registered in the Republic of Korea, for a term loan facility of $1,200,000 (equivalent to USD 869,565) availed to the Group. The purpose of the term loan was only be used for all costs and expenses required for operations of the Group. The Group had utilised $599,960 (equivalent to USD 434,754) of the term loan and the loan was expected to mature on 4 January 2026.

The loan was interest-free and for a tenure of 10 years with 5 years of deferred payment period following the final maturity date. The Group must then repay the loan in full as one lump sum on or within 5 years following the final maturity date.

Subsequent to the year-end, the Group entered into a license agreement with the related party where the related party is required to pay the Group a fixed percentage of development expenses incurred by the Group upon achievement of certain milestones. The payment of these development expenses is expected to offset the outstanding loan upon the completion of these milestones.

(c) Loan II

	2018 USD	2017 USD
At 1 July	**3,699,534**	--
Loan utilised	--	3,000,000
Transaction cost	--	53,000
Interest expense during the year	**468,626**	646,534
Repayment	**(4,168,160)**	--
At 30 June	--	3,699,534

On 10 December 2016, the Group entered into a loan agreement with a third party, registered in Australia, for a term loan facility of USD 3,000,000 availed to and utilised by the Group. The purpose of the term loan was only be used for all costs and expenses required for the development of the certain medical products.

16 Loans and borrowings (continued)

(c) Loan II (continued)

The interest was charged at 3% per month and repayable 11 months after the drawdown date i.e. 15 December 2016.

The loan principle and accrued interest were fully repaid during the year.

(d) Loan III

	2018 USD	2017 USD
At 1 July	**2,110,000**	2,016,308
Loans utilised	**15,000,000**	2,000,000
Interest accrued	**1,594,466**	368,129
Repayment of loan	**--**	(2,274,437)
Converted to equity	**(17,300,000)**	--
At 30 June	**1,404,466**	2,110,000

In the previous years, the Group entered into a loan agreement with a third party registered in Singapore, for a term loan facility of USD 2,016,308 availed to the Group. The purpose of the term loan was only be used for all costs and expenses required to carry out the third stage of the clinical trials on a certain medical product.

The interest was charged at 3% per month for the first month from the utilisation date and 2% per month thereafter. The Group was expected to repay the loan and all accrued interest on the loan in full as one lump sum on the final maturity date which was 6 months from the date of the utilisation date. The loan was charged to a related party and was guaranteed jointly and severally by the Group's directors.

In the prior year, the third party became a shareholder of the Company. On 5 April 2017, the Group entered into a loan agreement with this shareholder for a loan facility ("Facility A") of USD 2,000,000 availed to and utilised by the Group. The purpose of the loan was only be used for the lending to a related party for the purchase of the land.

The interest was charged at 2.5% per month. The Group was expected to repay the loan and all accrued interest on the loan on the date falling 6 months from the drawdown date. The loan was guaranteed jointly and severally by the Group's directors.

In the current year, the Group entered into another loan agreement with this shareholder for additional loan facilities i.e. Facility B and Facility C of USD 2,300,000 and USD 15,000,000 respectively. These loan facilities were availed to and fully utilised by the Group. In this agreement, Facility B extinguished Facility A with the excess of USD 300,000 charged as interest expense in the profit or loss.

On 30 May 2018, pursuant to a directors' and shareholders' resolution, USD 17,300,000 was converted into ordinary shares of the Company (refer to note 12).

16 Loans and borrowings (continued)

(d) Loan IV

	2018 USD	2017 USD
At 1 July	**--**	--
Loan utilised	**6,000,000**	--
Interest accrued	**61,500**	--
At 30 June	**6,061,500**	--

On 4 June 2018, the Group entered into a loan agreement with a related party for a term loan facility of USD 25,000,000 availed to the Group. As at reporting date, the Group drawdown USD 6,000,000 of the loan facility.

The interest is charged at 1.5% per month. The Group is expected to repay the loan and all accrued interest on the loan on the final maturity date i.e. 30 September 2019. The loan is guaranteed jointly and severally by the Group's directors.

As at the reporting date, loans and borrowings are denominated in the following currencies:

	2018 USD	2017 USD
United States dollar	**7,465,966**	5,809,534
Singapore dollar	**450,649**	434,754
	7,916,615	6,264,288

17 Other income

	2018 USD	2017 USD
Group		
Interest income on loans due from related parties	**1,337,428**	983,635
Miscellaneous income	**13,407**	950
Government grant	**1,337**	--
	1,352,172	984,585

18 Finance expenses

	2018 USD	2017 USD
Group		
Interest expenses on loans from:		
- Loan II	**468,626**	646,534
- Loan III	**1,594,466**	368,129
- Loan IV	**61,500**	--
- Hire purchase	**226**	--
	2,124,818	1,014,663

19 Loss for the year

The following items have been included in arriving at loss for the year:

	2018 USD	2017 USD (Restated)
Group		
Rental	**138,427**	12,842
Amortisation	**504,763**	504,674
Depreciation	**218,720**	100,108
Employees' benefits (see below)	**995,963**	65,204
Directors' fees	**452,753**	--
Directors' remuneration	**229,074**	46,402
Staff salaries and bonus	**259,681**	11,367
Contribution to Central Provident Funds	**54,455**	7,435
	995,963	65,204

20 Income tax expenses

The major components of income tax expenses recognised in profit or loss for the year ended 30 June 2018 and 2017:

	2018 USD	2017 USD
Group		
Statement of profit or loss		
Current income tax		
- Current year	**--**	--

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 30 June 2018 and 2017 were as follows:

	2018 USD	2017 USD (Restated)
Group		
Loss before tax	**(2,600,298)**	(1,344,312)
Tax calculated using corporate tax rate at 17%	**(442,051)**	(228,533)
Tax effects on:		
- Non-deductible expenses	**122,992**	102,813
- Losses not recognised as deferred tax assets	**319,059**	125,720
	--	--

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

21 Operating lease commitment

Non-cancellable operating lease rentals are payable as follows:

	2018 USD	2017 USD
Group		
Within one year	**181,170**	154,109
Within 2 years to 5 years	**241,430**	303,082

The Group leases an office under operating lease. The lease typically run for a period of 3 years, with an option to renew the lease after that date.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 30 June 2018 amounted to USD 151,111 (2017: USD 12,842).

22 Significant related party transactions

For the purpose of these consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(i) Members of the group

Name	Relationship	Country of incorporation
Prestige Biopharma Pte. Ltd.	Holding company	Republic of Singapore
Prestige Biopharma Australia Pty Ltd.	Subsidiary	Australia
Prestige Biopharma Belgium BVBA	Subsidiary	Belgium

(ii) Related company transactions

There are transactions and arrangements between the reporting entity and member of the Group and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any balances and financial guarantees no interest or charge is imposed unless stated otherwise.

In addition to transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, this item includes the following:

	2018 USD	2017 USD
Group		
Related parties		
- Interest income	**1,337,428**	983,635
- Laboratory expenses	**--**	64,860
- R&D expenses	**--**	330,576
- Finance expenses	**61,500**	--
A shareholder		
- Finance expenses	**1,594,466**	348,129

22 Significant related party transactions (continued)

(iii) Key management personnel compensation

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

	2018	2017
	USD	USD
Directors' fees	**452,753**	--
Directors' remuneration	**229,074**	46,402
Contributions to defined contribution plan	**13,707**	5,946

23 Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(i) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

23 Financial risk management (continued)

(i) Credit risk (continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group's and the Company's credit risk is concentrated on 1 customer making up of 100% of total trade receivables. The Group and the Company have credit policies and procedures in place to minimise and mitigate its credit risk exposure

Exposure to credit risk

The carrying amount of financial assets in the statement of financial position amounting to USD 8,541,987 (2017: USD 10,994,719) and USD 8,485,833 (2017: USD 10,994,719) represents the Group's and the Company's maximum exposure to credit risk as at the reporting date.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipts cycles. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group's operations are financed mainly through equity and related parties' loans. The directors are satisfied that funds are available to finance the operations of the Group.

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

	Carrying amount USD	Contractual cash flows USD	One year or less USD	Two to five years USD	More than five years USD
Group					
2018					
Financial liabilities					
Trade payables	2,894,968	(2,894,968)	(2,894,968)	--	--
Other payables	24,952	(24,952)	(24,952)	--	--
Amount due to directors	673,023	(673,023)	(673,023)	--	--
Loans and borrowings	7,916,615	(9,612,782)	(8,718,758)	(454,494)	(439,530)
Total undiscounted financial liabilities	11,509,558	(13,205,725)	(12,311,701)	(454,494)	(439,530)

23 Financial risk management (continued)

	Carrying amount USD	Contractual cash flows USD	One year or less USD	Two to five years USD	More than five years USD
2017					
Financial liabilities					
Trade payables	2,822,497	(2,822,497)	(2,822,497)	--	--
Other payables	12,603	(12,603)	(12,603)	--	--
Amount due to directors	883,163	(883,163)	(883,163)	--	--
Loans and borrowings	6,244,288	(6,802,913)	(6,368,159)	--	(434,754)
Total undiscounted financial liabilities	9,962,551	(10,521,176)	(10,086,422)	--	(434,754)

Company

2018

	Carrying amount USD	Contractual cash flows USD	One year or less USD	Two to five years USD	More than five years USD
Financial liabilities					
Trade payables	**2,884,123**	**(2,884,123)**	**(2,884,123)**	**--**	**--**
Other payables	**24,952**	**(24,952)**	**(24,952)**	**--**	**--**
Amount due to directors	**673,023**	**(673,023)**	**(673,023)**	**--**	**--**
Loans and borrowings	**7,916,615**	**(9,612,782)**	**(8,718,758)**	**(454,494)**	**(439,530)**
Total undiscounted financial liabilities	**11,498,713**	**(13,194,880)**	**(12,300,856)**	**(454,494)**	**(439,530)**

2017

	Carrying amount USD	Contractual cash flows USD	One year or less USD	Two to five years USD	More than five years USD
Financial liabilities					
Trade payables	2,822,497	(2,822,497)	(2,822,497)	--	--
Other payables	12,603	(12,603)	(12,603)	--	--
Amount due to directors	883,163	(883,163)	(883,163)	--	--
Loans and borrowings	6,244,288	(6,802,913)	(6,368,159)	--	(434,754)
Total undiscounted financial liabilities	9,962,551	(10,521,176)	(10,086,422)	--	(434,754)

(ii) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign currency rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The Group incurs financial liabilities in order to manage market risks.

23 Financial risk management (continued)

(iii) Market risk (continued)

(a) Interest rate risk

As at the reporting date, the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

	2018 USD	2017 USD
Group and Company		
Fixed rate instruments		
Loans and borrowings	**7,477,085**	5,809,534

The Group does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

(b) Foreign currency risk

The Group's foreign currency risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Group does not have any formal policy for hedging against currency risk.

As at the reporting date, the Group's and Company's exposure to foreign currency risk is as follows:

	Singapore dollar 2018 USD	Euro 2018 USD	Korean Won 2018 USD	Australian dollar 2018 USD	Singapore dollar 2017 USD	Korean Won 2017 USD
Group						
Financial assets						
Other receivables	**287,936**	--	--	**547**	261,235	--
Loans due from related parties	**395,165**	--	--	--	1,415,871	--
Cash at bank	**18,627**	**58,290**	--	--	122,021	--
	701,728	**58,290**	--	**547**	1,799,127	--
Financial liabilities						
Trade payables	**(300,630)**	**(157,305)**	**(107,429)**	**(5,203)**	(781,967)	(114,530)
Other payables	**(2,047,877)**	--	--	--	(949,049)	--
Loans and borrowings	**(450,649)**	--	--	--	(434,754)	--
	(2,799,156)	**(157,305)**	**(107,429)**	**(5,203)**	(2,165,770)	(114,530)
Net currency exposures	**(2,097,428)**	**(99,015)**	**(107,429)**	**(4,656)**	(366,643)	(114,530)

23 Financial risk management (continued)

(iii) Market risk (continued)

(b) Foreign currency risk (continued)

	Singapore dollar 2018 USD	Euro 2018 USD	Korean Won 2018 USD	Australian dollar 2018 USD	Singapore dollar 2017 USD	Korean Won 2017 USD
Company						
Financial assets						
Other receivables	**287,937**	**2,210**	--	--	261,235	--
Loans due from	**395,165**	--	--	--	1,415,871	--
Cash at bank	**18,627**	--	--	--	122,021	--
	701,729	**2,210**	--	--	1,799,127	--
Financial liabilities						
Trade payables	**(300,630)**	**(151,663)**	**(107,429)**	--	(781,967)	(114,530)
Other payables	**(2,047,877)**	--	--	--	(949,049)	--
Loans and borrowings	**(450,649)**	--	--	--	(434,754)	--
	(2,799,156)	**(151,663)**	**(107,429)**	--	(2,165,770)	(114,530)
Net currency exposures	**(2,097,427)**	**(149,453)**	**(107,429)**	--	(366,643)	(114,530)

Sensitivity analysis

A 10% strengthening of the United States dollar against the foreign currency denominated balance as at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group 2018 USD	Group 2017 USD	Company 2018 USD	Company 2017 USD
Singapore dollar	**(209,743)**	(36,664)	**(209,743)**	(36,664)
Euro	**(9,902)**	--	**(14,945)**	--
Korean Won	**(10,743)**	(11,453)	**(10,743)**	(11,453)
Australian dollar	**(466)**	--	--	--

A 10% weakening of the United States dollar against the above currency would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

24 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.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances (including loans due from related parties and amount due to related parties and directors) approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Loans and borrowings

The carrying amounts of certain loans and borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

25 Financial instruments by category

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

	<------ **Group** ------>		<----- **Company** ----->	
	2018	2017	**2018**	2017
	USD	USD	**USD**	USD
Loans and receivables				
Trade receivables	**1,000,000**	--	**1,000,000**	--
Other receivables	**59,501**	42,741	**61,637**	42,741
Loans due from related parties	**4,146,102**	6,215,171	**4,146,102**	6,215,171
Cash at bank	**3,336,384**	4,736,807	**3,278,094**	4,736,807
	8,541,987	10,994,719	**8,485,833**	10,994,719
Financial liabilities measured at amortised cost				
Trade payables	**2,894,968**	2,822,497	**2,884,123**	2,822,497
Loans and borrowings	**7,916,615**	6,244,288	**7,916,615**	6,244,288
Other payables	**2,048,214**	949,049	**2,048,214**	949,049
	12,859,797	10,015,834	**12,848,952**	10,015,834

26 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Group comprises issued share capital and retained earnings.

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 adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2018 and 2017. The Group's overall strategy remains unchanged from 2017.

27 Prior year adjustments

The comparative financial statements for the year ended 30 June 2018 have been restated to correct prior year error below. The effects of the prior year adjustments ("PYA") are reflected as follows:

	As previously reported 2017 USD	PYA #1 USD	Restated USD
Statement of financial position			
Non-current assets			
Accumulated amortisation of intangible assets	**914,633**	**(75,269)**	**839,364**
Equity			
Accumulated losses	**(1,419,581)**	**75,269**	**(1,344,312)**
Statement of profit and loss			
Amortisation expense	**579,943**	**(75,269)**	**504,674**

PYA #1 – Overstatement of Amortisation expenses

In the prior year, the Group had recorded in excess of amortisation expense on its intangible assets. The amortisation expense and accumulated amortisation have been restated and accounted for retrospectively.

28 Change in comparative figures

During the current year, the Group modified the classification of certain expenses in the consolidated statement of profit or loss:

Comparative amounts have been revised for consistency, which resulted the following:

	As previously reported USD	**Amount reclassified USD**	**As reclassified USD**
Statement of profit or loss			
Cost of services and consumables use	**(402,058)**	**402,058**	--
Research expenses	--	(330,576)	(330,576)
Laboratory expenses	--	(71,482)	(71,482)

29 Authorisation of consolidated financial statements for issue

The consolidated financial statements for the financial year ended 30 June 2018 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Directors' Statement.

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